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NEWS SUMMARY

GENERAL

150mph train makes debut

British Rail unveiled its latest 150-mph advanced passenger train in Derby yesterday at a rail ceremony filmed by a Japanese TV crew. The Tokyo Government has been anxious for years to gain access to secret design data on the train's suspension and tilt mechanism, which have been perfected by British Rail.

With a £150m investment programme, planned for the new train over three years, British Rail has already sought a "commitment in principle" for the money from the Transport Department. It will carry paying passengers on the London to Glasgow route by autumn next year. Picture story, Back Page

Sadat warning

President Sadat told Egyptian soldiers that Israel would face a Middle East war unless it responded to his peace moves and solved the Palestinian problem. Egypt will send Zaire heavy artillery to join the inter-African force to defend Shaba province. Page 3

Scotland draw

Scotland drew 1-1 with Iran in a disappointing World Cup match which left them a poor chance of qualifying in Group Four, where Holland and Peru drew 0-0. Austria in Group Three go through to the next round by beating Sweden 1-0, while Brazil and Spain played a goalless draw.

Derby winner

Shirley Heights (8-1) ridden by Greville Starkey, won the Epsom Derby by a head, denying top U.S. jockey Willie Shoemaker on Hawaiian Sound (25-1) a win on his first race in Britain. Remainder Man (40-1) was third. Racing, Page 18

Bottle man jailed

A man who threw a lemonade bottle at Prince Charles's car in Newcastle last week was jailed for six months by the city's magistrates. Edward George Black, 41, an unemployed joiner, pleaded guilty to damaging property belonging the Crown.

Migrant scheme

Australia has introduced new immigration rules to attract 10,000 people especially businessmen and retired people from the U.S. and South Africa, over the next three years. But the Opposition said it was wrong to encourage immigration when 6 per cent of the work-force was unemployed. Page 3

Wed at last

The Court of Session in Edinburgh has granted a marriage decree to a woman two years after the death of the man she lived with for nearly 30 years. The judge ruled that under an old Scottish law the woman, 66, who lives in a Highland village, had been married by "habit and repute."

Papal threat

Pope Paul has made clear that doctors who carry out operations under Italy's new abortion law will face excommunication.

Briefly . . .

Philippine Army claimed that more than 1,000 Moslem secessionists, including 14 field commanders, surrendered yesterday.

Midlands police launched a hunt for a Security Express driver after a £61,000 payroll disappeared.

Thailand has ordered 15,000 earthworms from the U.S. to help with rubbish disposal.

Koran illuminated edition at Cambridge University Library has had eight pages torn out.

West Berliner was jailed for 12 years by an East German court on charges of repeatedly smuggling East Germans out of the country.

Earls Colne, an Essex village, has been left £500,000 in the will of industrialist William Hunt, who died in March, aged 87.

BUSINESS

Gilts easier; Equities drift

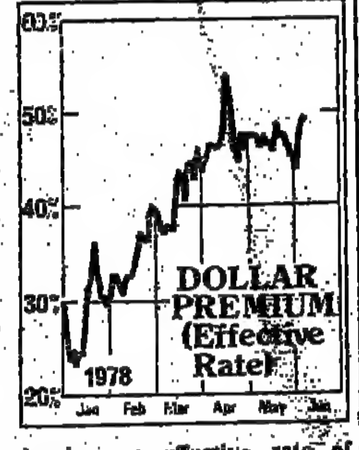
● GILTS were more settled on hopes for a renewal of the Government funding programme. The Government Securities Index closed 0.37 up at 69.20.

● EQUITIES drifted in extremely quiet trading. The FT 30-Share Index eased 2.8 to 474.9.

● STERLING closed 10 points down at $1.8230 after light trading. The pound's trade-weighted index drifted to 61.2 (61.3) and the dollar's depreciation narrowed to 5.3 (5.4) per cent.

● GOLD closed $1½ up at $183¼, largely because of speculative buying ahead of the IMF auction. The New York Comex June settlement rate was $180.70 ($182.20).

● INVESTMENT dollar premium rose to 113 (112) per cent,



showing an effective rate of 49¼ (48½) per cent.

● WALL STREET closed 4.59 down at 861.92.

● HONG KONG's Hang Seng index ended 5.50 points up at 494.22 in its seventh successive advance after active trading. Page 34

Japan surplus may be $25bn

● JAPAN could have a $25bn (£13.7bn) trade surplus this year if its trading companies are correct about the country's growing trade imbalance, according to Japan's official economic planning agency. Back Page.

● JAPANESE steel producers have warned the EEC Commission that they may have difficulty adhering to the agreement governing price and volume of exports to the Community, unless illegal price-cutting by European companies is halted. Back Page and Editorial Comment. Page 20

● MAY was another buoyant month for UK car sales, but imports rose from 42 per cent a year ago to 48.2 per cent. Page 6

● ASTMS has called a meeting for today of senior shop stewards at Ford Motor's car plants, in a bid to end the shop floor violence dispute at the company's Dagenham works. Page 10

● ACAS applied its powers in a trade union recognition issue "wrongly, unlawfully, unfairly and indeed perversely," the High Court was told, in a case brought by the United Kingdom Association of Professional Engineers. Page 10

● VALUE of construction output in the first quarter of this year fell by 3 per cent compared with the previous quarter but the value of contracts increased by 4 per cent. Page 7

COMPANIES

● COMBINED sales of affiliated corporate groups headed by Basle parent company F. Hoffmann-La Roche and the Canadian-based overseas holding subsidiary, Sapac Corporation, rose last year by 7.3 per cent to SwFr 5.48bn (about £1.43bn). Page 27

● STANDARD BANK Investment Corporation of South Africa raised operating profit from R38.4m to R54.5m (about £31.45m) in the year to March 31. Page 28

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 11½pc '91	£93½	+ ¾
Excheq. 12pc '98	£94¼	+ ¾
Asscd. Book Publish.	230	+ 15
Brown and Jackson	100	+ 5
Churchbury Estates	255	+ 10
De La Rue	342	+ 9
Finlay (James)	362	+ 17
Glossop (W. and J.)	68	+ 4
Harrisons & Crosfield	475	+ 13
ML Holdings	122	+ 7
McCorquodale	290	+ 17
New Throgmrtn. Cap.	114	+ 18
Reed Intnl.	128	+ 5
Spooner Inds.	77	+ 4
Tunnel Cement B	272	+ 8
United Carriers	83	+ 3
Witter (Thomas)	53	+ 4
Anglo Amer. Corp.	314	+ 14
Buffels	960	+ 40
Doornfontein	315	+ 16
Hartebeest	£13¾	+ ½
Libanon	586	+ 28
Randfontein	£35¼	+ 1½
Rio Tinto-Zinc	233	+ 5
Western Mining	135	+ 8
Zandpan	221	+ 15

FALLS

Carless Capel	31	− 3
Highgate and Job	58½	− 4½
Land Securities	209	− 6
P and O Dfd.	94	− 6
Siebens Oil (UK)	374	− 9
Northern Mining	92	− 11

Russia must pick path of detente or conflict—Carter

BY DAVID BELL; WASHINGTON, June 7

President Carter, in a major speech designed to clarify his Administration's policy towards the Soviet Union, said today that it was now up to Moscow to choose between confrontation or co-operation. The U.S. was "adequately prepared to meet either choice."

Speaking before a crowd of 17,000 at Annapolis Navy College, the President sought to bring to an end weeks of confusion about U.S. policy and at the same time to produce an effective synthesis of the differing views of his senior advisers.

In recent weeks some of these, notably Dr. Zbigniew Brzezinski, the Nation Security Adviser, have talked in strong terms about a deterioration in U.S.-Soviet relations and have accused Moscow of breaking the "code of detente" between the two nations.

Thus strong language has raised again the possibility of a new "cold war" which might put an effective end to the Strategic Arms Limitation Talks.

Others have argued that the U.S. should be more cautious in its reaction to Soviet activities in Africa and elsewhere and that detente is too important and the consequences of not getting an agreement too serious to sacrifice it unless relations get much worse. In recent days Dr. Brzezinski has seemed to get the better of this debate.

But the President adopted a softer tone today, although his warning to the Soviet Union was unmistakable.

He said the U.S. was continuing to negotiate a new SALT agreement "in good faith because we both know that failure would precipitate a resumption of massive arms race." The prospects for a new agreement were still "good."

Such an agreement was vital if the two nations were "to lead international society into a more stable and hopeful future."

He did not want the Soviet-U.S. relationship to suffer "and I do not believe Mr. Brezhnev desires it either—and this is why it is time for us to speak frankly and face the problem squarely."

Detente was central to world peace but it had to be broadly defined and had to depend on mutual respect and mutual observance of agreed limits.

"Our long-term objective must be to convince the Soviet Union of the advantages of co-operation and of the costs of disruptive behaviour," he said.

The Administration would not itself seek to link the SALT discussions with Soviet and Soviet-inspired adventurism in Africa or elsewhere in the world.

Some competition between the U.S. and the Soviet Union was inevitable, but Moscow must understand that a "competition

Continued on Back Page

ONUS ON U.S. SAYS MOSCOW

IN A SWIFT response to President Carter's speech, Tass, the Soviet official news agency, said that Russia had chosen peaceful co-existence long ago. "But evidently the choice has still not been made in Washington's ruling circles."

However, Tass balanced the criticism to some extent by noting that the President had stressed the importance of detente and the SALT discussions.

It also avoided taking issue with Mr. Carter on human rights and concentrated on rejecting his analysis on Soviet policy in Africa.

Implications for SALT II, Page 20 ● Parliament, Page 10

Barclays plans to close 130 of its branches

BY MICHAEL BLANDEN

BARCLAYS BANK is to close some 130 branches over the next 12 years and make important changes at another 480.

The major reorganisation, announced to staff and branches yesterday, is the result of a full-scale re-appraisal, begun in 1976, of the group's UK network of 3,000 offices.

The closures are expected to mean the loss of about 800 jobs out of the bank's UK branch staff of 41,000. Barclays said yesterday, however, that no redundancies were envisaged, and that natural wastage would take care of the necessary cutback.

To counter the reorganisation's effects on promotion prospects for staff, the bank is to offer a voluntary early retirement scheme at age 57 to people in senior supervisory jobs and above.

The proposals aroused considerable concern among staff representatives when the possible closures were first outlined last November, and it appeared that up to 600 branches might be threatened. Yesterday, however, the detailed plans were received quite well.

Mr. Eddie Gale, general secretary of the Barclays Group Staff Association, said he was satisfied that for at least the first few years of the programme, effects on staff would be minimised with new managerial jobs created and promotion prospects enhanced.

Mr. Leif Mills, general secretary of the National Union of Bank Employees, said he was not "too displeased" with the results of the survey and to a large extent union fears about reorganisation had been allayed.

Barclays said that staff unions had been consulted over the proposed changes. Staff affected would be told "as soon as firm decisions have been taken on implementing individual branch proposals."

Mr. Robert Sale, a Barclays general manager, said that, while the bank had kept its branch representation under review, "recent trends and developments have made a more radical assessment essential."

The closures are expected to be mainly among suburban branches and sub-branches. They include offices which are unprofitable, only marginally profitable or fall below the general level of profitability within the bank. They also cover some special situations, including some duplications remaining from the acquisition of Martins Bank in the late 1960s.

The reorganisation will involve strengthening the management at a total of some 190 branches, mainly larger ones, where there is a high proportion of business customers. These will offer the more specialised services required, in line with the experiments which Barclays has carried out in Luton and Pall Mall, London.

A further 290 branches, where the level of expertise is regarded as being higher than needed by the character of the business, will effectively be downgraded.

News Analysis Page 6

California votes for tax cuts

BY JUREK MARTIN LOS ANGELES, June 7.

CALIFORNIANS yesterday overwhelmingly approved huge cuts in personal property taxation in a referendum that had been widely watched as a possible forerunner of a growing middle-class taxpayers' rebellion across the country.

This morning Governor Jerry Brown promised to implement "sensitively" the will of the electorate without raising other taxes.

Mr. Brown, who had originally opposed the initiative and who suddenly appears vulnerable for re-election to a Republican challenge in November, must in the next three weeks make public spending cuts to compensate for the $7bn in property taxes—the counterpart to the UK's rating system—that the state will no longer be collecting.

The tax-cutting proposal, known as Proposition 13, was passed by a two-to-one majority. It attracted broad bipartisan support in the wake of sharply higher property tax assessments received by many voters in the weeks before the election. It also places tight ceilings on future increases in property levies.

Details Page 4
Editorial Comment Page 20

Conservative forces, the principal architects of Proposition 13, had another substantial victory to savour yesterday in New Jersey across the country.

Mr. Jeffrey Bell, a young Right-wing ideologue and sometime adviser to former California Governor Ronald Reagan, pulled off a stunning upset by defeating the venerable incumbent Senator Clifford Case in the Republican senatorial primary.

In the Californian Republican Primary, Mr. Evelle Younger, the middle-of-the-road State Attorney General, won an easier victory than had been expected over Mr. Ed Davis, the pugnacious Right-wing former Los Angeles police chief, and two moderate candidates.

The tax revolt has clearly put Governor Brown's once glittering political future very much in the balance. His local popularity has fallen recently, and one poll today gives him only a one point lead over Mr. Younger.

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FEATURES

For latest Share Index 'phone 01-246 8026

Dividend controls may be retained

By Richard Evans, Lobby Editor

THE CONTINUATION of dividend controls after the end of next month is still in the balance and some senior Ministers are arguing strongly for their retention on political grounds for a further year.

No decision is likely to be taken for some weeks while Ministers develop their informal contacts with union leaders on the next stage of pay negotiations.

But there is little support among senior Ministers for the widespread City expectation that dividend controls, in operation for nearly six years, will almost certainly be ended after next month.

Any continuation of dividend controls would need legislation and it is not clear whether Mr. Callaghan's minority government could get this through the Commons. With the Conservatives opposing any further restraint everything would depend on the minority parties.

The assumption at Westminster is that the Liberals would probably support Government legislation if a further understanding with the unions on pay seemed likely.

A major conflict can be expected in the Cabinet this summer as some Ministers argue that the controls which limit dividend increases to 10 per cent have been ineffective and should be lifted, while others insist that they must be continued.

The most powerful argument for continuation in a fairly strict form is the psychological effect abandonment would have on the Government's campaign to moderate wage demands for a further year.

Current indications are that the balance might well shift towards retention of controls—the Prime Minister is believed to be moving in this direction—as the need for wage restraint becomes more urgent. Pressure for relaxation appears at present to come from the Treasury.

Mr. Callaghan is determined to secure some understanding with the unions on pay moderation before a possible autumn election campaign. The advocates of continuing dividend controls argue that any agreement, however informal, would be impossible if they were to be lifted.

Basnett's "economic contract," Back Page

£ in New York

—	June 6	Previous
Spot	$1.8240-8250	$1.8180-8190
1 month	0.52-0.48 dis	0.44-0.43 dis
3 months	1.50-1.44 dis	1.60-1.54 dis
12 months	6.00-5.80 dis	6.40-6.20 dis

Sharp fall in first-quarter UK surplus

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE SURPLUS of the U.K.'s combined capital and current accounts fell sharply in the first three months of this year as a result of a deterioration in the balances on both visible and invisible trade, and a decline in demand for sterling.

The combined surplus in January to March was £173m compared with a quarterly average surplus of £1.8bn last year and £1.93bn in the last three months of 1977.

The change between the two is the result of:

● A £924m deterioration in the current account (not seasonally adjusted) as a result of adverse movements on both visible, mainly imports, and invisible balances.

● An £835m decline in the capital account surplus, chiefly as a result of much smaller increases than in 1977 in overseas holdings of gilt-edged stock and bank deposits. Changes in exchange controls made only a small impact.

This is shown by the detailed balance-of-payments figures published by the Central Statistical Office yesterday.

For the first time these figures contain a separate estimate of the large contribution of the North Sea oil and gas programme, £726m on capital and current accounts combined in the first three months of this year.

This compares with a quarterly average benefit of £640m in 1977 and of just over £270m in 1976.

Increasing production despite the poor weather, coupled with lower imported services, offset a rise in profits due abroad to produce a net direct current account benefit of £454m, compared with £907m in 1977 as a whole. None of these figures is seasonally adjusted.

The latest figures indicate a decline in the seasonally adjusted invisible surplus from £441m to £269m between the final quarter of 1977 and the first of 1978. This can be entirely attributed to an increase of £188m, to £382m, in the UK's contribution to the EEC.

This presents a misleading picture, since from the April-to-June period on the UK will receive a quarterly refund of £75m, while over the year as a whole net contributions are expected to total only £680m.

Otherwise, the invisibles picture is slightly better than feared, and there was a rise in the net surplus on services compared with last year.

Receipts from tourism held up, and there were higher earnings from commodity dealing, insurance and civil aviation.

But the higher EEC contributions ensured that the invisibles surplus was lower than estimated in the monthly trade figures, while there was an upward revision to the deficit to visible trade in the first three months of 1978.

The result is that current account deficit for the period is estimated at £305m, seasonally adjusted, rather than £220m, as previously stated.

Favourable revisions have ensured that the current account for last year is estimated to have been in surplus by £165m, rather than in deficit by £35m.

The capita account figures for the first quarter reflect the lower demand for sterling in the period compared with 1977, but not the large outflows which appeared in April.

Indeed, official sterling balances rose by £160m in the first quarter, though private holdings fell by £59m, compared with inflows of nearly £1½bn in 1977. Purchases of gilt-edged stock also fell back sharply in the quarter as a whole.

Portfolio investment overseas rose sharply to £198m, a large part of which was financed by money borrowed abroad.

This is the first substantial net investment since 1972, and reflects the ending of the 25 per cent surrender rule, the fall in the level of the investment currency premium and the attractive share prices on Wall Street.

Table Page 7

P & O may have made loss in first 4 months

BY MARGARET REID

P & O, Britain's largest shipping group, may have made a loss in the first four months of this year as it grappled with the increasing impact of the world shipping recession on its business.

At yesterday's annual meeting, the group's chairman, the Earl of Inchcape, told shareholders that the position had deteriorated further since he wrote his recent statement foreshadowing lower profits this year than the £43m earned before tax in 1977. He added that the results for the first four months of 1978 had been "poor."

Lord Inchcape was not prepared to comment afterwards on whether there had been an actual loss or a small profit in this first one-third of 1978, a

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EUROPEAN NEWS

French cut 1.3% from economic growth forecast

BY DAVID CURRY PARIS, June 7.

FORECASTS for French economic performance made during the preparation of the 1978 Budget last autumn have now been revised to bring them into line with the more modest expectations expressed over recent months.

The National Accounts Commission is due this week to examine official Government forecasts, and is expected to paint a much more sober picture than the estimates of nine months ago. The Commission's arithmetic reflects, in fact, the point of view that Ministers have been expressing since the election.

The main change is the official clipping of the forecast for economic growth (GDP) from 4.5 per cent to 3.2 per cent. The new estimate for the January-December overall price rise is 11 per cent. It has never been clear what the Government's expectations have been since it sets itself a guideline for price increases (6.5 per cent in 1977) which is not a real forecast.

Its decision to push up public sector tariffs this year to reduce the burden of subsidies to State-owned enterprises has produced a completely new equation. The price increase translates into a growth in the national wage bill of some 12-12.5 per cent, assuming that the Government can keep wage rises broadly in line with the increase in the cost of living.

The level of consumer expenditure depends to some extent on the increase in real wages, and, from evidence that the public is drawing on its savings to maintain spending, the Commission is inclined to put the likely growth in household expenditure at 3.8 per cent which is close to the original estimate.

The original estimates of balance of payments performance are also, on the whole, sustained. The commission is counting on a 6.6 per cent volume growth in exports of goods and services, around 1.5 per cent below the September, 1977, figures but it has also revised the import figure down from 7.1 to 6.8 per cent. Since the trend of French trade is fairly strongly towards surplus, this indicates that France could end the year in the black.

The fact that the trend of payments was positive could, of course, increase the pressure on the Government later in the year to relax wages control to try to stimulate economic growth to take some pressure off employment. It would be argued that the balance of payments permitted some room to manoeuvre before the franc necessarily came under pressure.

Industrial investment is likely to be just over 3 per cent, according to the commission, which is what everybody else has been saying recently. The official statistics institute has just published a survey of business opinion putting likely industrial investment at exactly 3 per cent up over the year, with a rather stronger performance in the capital goods sector.

Militant Renault strikers defy court order to leave

BY OUR OWN CORRESPONDENT PARIS, June 7.

SEVERAL HUNDRED militant young workers were still occupying the Renault plant at Cleon near Rouen today, ignoring a court order to clear the factory which came into effect this morning.

The company appeared to be making no move to call in police to remove the strikers. It insisted that it would not resume negotiations on grading and classification which are at the centre of the dispute until the strike was called off.

The company's decision to hold its fire probably stems from a desire not to present the badly-split official trade union movement with a challenge it would find difficult to refuse. The Communist-led CGT has been anxious to start sympathy action in other Renault plants and is trying, without much conviction, to project the strike as the beginning of a wave of revolt against the Government's economic policies.

The CFDT, aware that the strikers represent a small minority of the workforce, and that strikes are normally unpopular close to the holiday period, has proposed a minimum of symbolic sympathy action. It does not believe that its troops are ready to fight a big battle with the company and the Government.

The company also wants to avoid the danger of a violent ejection of the strikers by police. It brought in police to clear strikers from its Flins plant, near Paris yesterday, but most of the men there were immigrants and they left without trouble. The young militants at Cleon might be less inhibited and a fight could provide the spark which has been lacking for sympathy action.

Socialists and Communists in Parliament have used the strike to attack the Government but influential Gaullists have been calling for negotiation and the company will want to display a conciliatory political image.

The Cleon strike is halting the daily output of 3,900 engines and 6,000 gearboxes, but it is less damaging than the stoppage at Flins where some 1,700 units of the Renault 18 and Renault 5 are assembled daily.

Giscard on Corsica visit

BY OUR OWN CORRESPONDENT PARIS, June 7.

A CLOSELY-GUARDED President Valery Giscard d'Estaing arrived today on a three-day visit to Corsica—his first since taking office three years ago—bearing promises of fresh measures to improve the lot of the island's 230,000 people.

The bomb blasts which have become daily events in Corsica continued last night. Four bombs went off in Bastia, including one at the consultancy of Dr. Edmond Simeoni, an autonomist leader, who has described the presidential visit as "purposeless." Seventeen people held in custody on the island in connection with the Liberation Front of Corsica (FLNC) have been transferred to Paris. Seven others have been detained on the mainland.

In a radio interview yesterday, President Giscard said he would announce "a large number of measures" in Ajaccio on Thursday afternoon. An "economic charter" issued three years ago, envisaging development of mountain areas, employment measures, industrial finance and improvements in tourist facilities and transport has failed to satisfy a large number of Corsicans.

On his last visit, while campaigning for the Presidency in 1974, M. Giscard promised "a France which includes Corsica, but also a France which understands Corsica."

The President will also discuss the problem of security on the island.

In the March general election, the four members returned by Corsica's two departements were all from the Gaullist RPR party, whose leader, M. Jacques Chirac, recently made a much-publicised visit to the island.

The moves against the FLNC were officially said to be unconnected with M. Giscard's trip. The front, formed two years ago, claimed responsibility for destroying an Air France Boeing 707 in 1976, and bombing a television relay station last year.

M. Giscard will take advantage of his visit to review the Foreign Legion paratroopers who are returning to Corsica from their operation in southern Zaire. One reinforced company is staying in the mining town of Kolwezi.

A Legion training unit was withdrawn from the Corsican mountain citadel of Corte in 1976, after an incident involving the death of two peasants.

Herr Gerhart Baum.

New Bonn Interior Minister is named

By Jonathan Carr

BONN, June 7.

THE WEST GERMAN Government faces a tough Parliamentary debate on terrorism and internal security tomorrow, still unclear who will be defending its record from the Interior Ministry.

Herr Werner Maihofer resigned yesterday as Interior Minister and it was decided late last night that Herr Gerhart Baum, his Parliamentary State Secretary, would replace him.

But Herr Baum has not so far been sworn in. Neither he nor Herr Maihofer took part in today's Cabinet session, and so far Herr Baum's main areas of concern have been in social, media and environmental policy.

It is therefore not certain that he will be able to step in at short notice on the terrorism issue. The opposition is expected to redouble its criticism of the Government on the basis of a report released last weekend which uncovers errors made during the hunt last year for the industrialist, Dr. Hanns-Martin Schleyer, and his terrorist captors.

This report was the immediate cause of Herr Maihofer's resignation. But he was also blamed by colleagues in connection with the disastrous showing of his Liberal Free Democratic Party (FDP) in provincial elections last Sunday.

Herr Baum, who became State Secretary in 1974, is also a member of the FDP and is generally held to be to the party's left-wing. Born in Dresden in 1932, he is a lawyer by training.

He was not the party leadership's first choice for the Ministerial job—but others to whom the office was proposed turned it down. A suggestion of a Ministerial swap between the FDP and their coalition partners in Bonn, the Social Democrats, also came to nothing.

OECD REPORT ON IRELAND

Output expected to increase by 6%

BY DAVID WHITE PARIS, June 7.

HIGHER GROWTH, an improvement in purchasing power, lower inflation and another good year for exports are forecast in the latest report on Ireland by the Organisation for Economic Co-operation and Development (OECD).

But the organisation has dire warnings to make, firstly on Ireland's current external deficit, which looks like rising sharply from last year's £120m. A much bigger shortfall, it says, would mean "the entire growth strategy would require review."

The report also warns that the success of Irish economic policy depends on keeping down the rate of pay rises. "The recent wage agreement cannot be viewed with equanimity," it says referring to the Government's latest 15-month wage pact.

The agreement provides for an increase in non-farming wages of 7 per cent this year. But OECD warns that with carry-over effects from last year, wage drift and an increase in the workforce, the total wage bill is likely to rise by 18 per cent. It says the Government should monitor wages closely to ensure they comply with the pact and do not add excessively to costs.

The OECD foresees no quick solution to Ireland's continuing high level of unemployment. It also expresses concern about the Exchequer's borrowing needs, which are likely to equal 13 per cent of gross national product this year.

On the positive side, real growth in output is expected to increase to 6 per cent from last year's 5 per cent. Inflation, which slowed down to an annual rate of 10.8 per cent by the end of 1977, after 20.6 per cent in the last quarter of 1976, should improve further.

The real disposable income of the Irish should rise by a substantial 8 per cent, which will boost the level of both consumption and savings.

Exports are expected to increase by 10.5 per cent, in volume slightly down from last year's exceptional growth of 12.5 per cent. The organisation describes the slowdown as "a reversion to trend." and warns of a probable 12.5 per cent increase in imports.

Promise of £196m for Canaries

BY ROBERT GRAHAM MADRID, June 7.

SPAIN'S CABINET has approved an investment package of Pta 28.6bn (£196m) for the Canary Islands and has decided to submit to Parliament recently-announced plans to site Spain's main naval base in the islands.

This is the largest single regional investment approved for some time. It underlines Government concern to prop up the stagnant economy of the Canaries and to prevent separatism from gaining ground there.

The Government appears almost obsessed by moves within the Organisation of African Unity (OAU) to recognise the Canaries Liberation Movement, MPAIAC, as an African liberation movement, and thus the package appears to be designed to bring home the Spanish nature of the Canaries.

A Government statement said that despite Spain's current economic problems it had been decided to go ahead with a programme of public investment. The investments will be aimed primarily at improving the overall infrastructure, roads, ports, housing, power and water supply, and educational facilities. It is not clear whether the cost of the new naval base first announced in April is included in the Pta28.6bn package.

The Canaries are reckoned to have a per capita income 15 per cent below the national average. Unemployment is high and affects more than 12 per cent of the active population. Employment is generated mainly by the service sector which accounts for 62 per cent of the islands GDP.

Despite the depressed state of the Canaries' economy, the essential motivation for the measures is seen as political. Although the Government appears confident that it can ride out the problems posed by the violence of Basque separatism, it is far more sensitive to the inherent dangers of increased support for separatism in the Canaries.

MPAIAC enjoys limited support in the islands but it is supported internationally by Algeria and Libya. Algeria, in particular, is using MPAIAC as a means of putting diplomatic pressure on Spain over the future of the former colony of Spanish Sahara.

Catalan lock-out plan backed

BY DAVID GARDNER BARCELONA, June 7.

EMPLOYERS from the Valles region of Barcelona province have joined their colleagues in SEFES, the federation which represents employers from the key Catalan industrial area of the Baix Lolbregat in its decision to impose a 24-hour lock-out for each day lost through industrial action.

Radical employers, who believe that Government plans to formalise minimum trade union freedoms will make industry Marxist, have thus taken a further step towards supplanting the Fomento de Trabajo Nacional, the oldest and best-known Catalan employers' organisation.

Growing support for SEFES's tough stand was evident in last weeks elections in the Fomento, after the accession of its former president to the chairmanship of the CEOE—the Spanish CBI. Fomento had criticised SEFES for "slamming the door on all possibility of dialogue" and SEFES called for a boycott of the CEOE poll. SEFES represents only 10 per cent of those entitled to vote, but the Fomento's new president was elected by less than 50 per cent of the 400 electors.

The lockout move comes after last month's mass strike and demonstrations in Barcelona province centred on the metal, textile and construction industries, which account for nearly three-quarters of industrial activity in Spain's most developed region. With the support of employers from the Valles, an area dominated by the textile and chemical industry, whereas the Vaix Llobregat is a centre for the metal industry, SEFES can no longer be dismissed as an extremist minority in Catalonia. But it still has to popularise its approach to industrial relations in the rest of Spain.

After an 11th-hour settlement of yearly wage negotiations in the metal sector last week, SEFES faces a major test tomorrow, when a 72-hour stoppage begins in the hotel and restaurant industry.

Diamond concession talks

BY OUR OWN CORRESPONDENT ZURICH, June 7.

THE IMMINENT establishment of a Liechtenstein-based consortium to take over a diamond concession in the Central African Empire has been forecast by Liechtenstein company lawyer, Dr. Werner Walser. This follows a private visit to the Principality by Emperor Bokassa I at the end of last month on Dr. Walser's invitation.

During the emperor's visit "intensive talks" were held in the presence of industrialists from Switzerland, Germany and Austria on the question of investments in the Central African Empire. As a result of these, a 10-day visit is to be made to the country next month by potential investors.

Emperor Bokassa is said by Dr. Walser to be interested in the development of extensive diamond deposits in the country, as well as the exploitation of uranium reserves and support for hunting, tourism and agriculture.

Switzerland foreign assets rise

By John Wicks

ZURICH, June 7.

SWITZERLAND'S total foreign assets rose by some 5.9 per cent to an estimated SwFr 324.5bn last year, according to calculations by the Union Bank of Switzerland. This compares with a rise of 7.4 per cent in the bank's figure for foreign liabilities to SwFr 153.1bn. The net assets of Switzerland abroad thus amount to about SwFr 171.1bn.

The importance of Switzerland as a financial centre is mirrored in the large volume of short-term foreign positions. Short-term foreign assets are reckoned by Union Bank to have expanded by 4.9 per cent to SwFr 85.6bn in 1977. Corresponding liabilities decreasing slightly, by 1.4 per cent, to SwFr 56.5bn.

The short-term assets are made up primarily of bank holdings, but also include Government assets of SwFr 1.9bn and a surplus of fiduciary assets over fiduciary liabilities of SwFr 7.6bn for the year.

Total Swiss holdings of foreign securities are put at some SwFr 121.9bn at the end of last year, or the biggest single asset item. The growth rate of 6.4 per cent is, however, below that of 15 per cent booked for 1976.

While foreign bond issues in Swiss francs, medium-term notes (private placements) and Eurobonds subscribed by Swiss rose last year, there was a fall in value of foreign shares held by Swiss interests due to the marked appreciation of the Swiss franc.

Several charged with Moscow tube bombing

MOSCOW, June 7.

SOVIET security police have arrested several people on charges of causing an explosion on a Moscow tube early last year, Tass news agency reported today.

Reuter

German market for UK skills

By Guy Hawtin in Frankfurt

IT IS perhaps paradoxical that the West German construction industry should be short of skilled craftsmen at the same time as being in the throes of its deepest post-war recession. However, the demand for craftsmen far outstrips the domestic supply and building concerns large and small are increasingly recruiting foreigners.

One reason for this is the rapid overseas expansion of the Federal Republic's major construction concerns. In less than a decade, under the pressure of the recession, they have transformed themselves from entirely domestically orientated operations to international construction giants, largely concentrating on the newly-rich OPEC markets, particularly in the Middle East.

Britain has already become a major recruitment centre for the West German industry. Increasingly, British craftsmen—particularly bricklayers, carpenters and shutterers—are being recruited to fill the gaps both in the domestic market and abroad.

Exactly how many British craftsmen are employed by German construction companies is hard to determine. West German official statistics, already a year out of date, do not provide an industry-by-industry breakdown of the number of Britons registered for employment here. But figures for mid-1977 supplied by the Federal Labour Bureau in Nuremberg show that some 187,151 foreigners were employed in the industry on June 30 of that year. How many of the 25,247 Britons paying social insurance in West Germany at that time work for the construction industry is impossible to say.

Mr. Geoffrey Fehler, a British international employment consultant based in Frankfurt, points out that the vast bulk of the foreigners are guest-workers employed primarily as unskilled labour.

Mr. Fehler, who advises West German building concerns on recruitment, also points out that official West German statistics give no indication of how many British craftsmen are recruited for projects overseas because such people are not registered for employment in the Federal Republic.

"In view of the size of contracts that the German construction companies are landing, particularly in the Middle East and the general availability of skilled labour, their recruitment in Britain must be very high," he says. Figures could also be distorted by the fact that some British labour, employed by small local construction firms in the Federal Republic itself, has not bothered to register with the authorities.

Britain is seen as an important source of skills because its building trade qualifications are at least equal to those in the Federal Republic, according to Mr. Fehler. Some companies claim that British building workers have a higher intelligence level than their West German counterparts.

"This is a hard claim to substantiate," he says. "However West Germany is to a degree suffering from the same problem experienced by the Swedes, in that people prefer white-collar jobs and, if possible, avoid even skilled manual trades."

But in spite of West Germany's enthusiasm for British craftsmen their experience with them is by no means always happy. There is often a very high turnover in British staff and many do not even complete the first month of their contract.

One of the difficulties is that recruitment of building craftsmen is still far from well organised, according to Mr. Fehler. It is largely handled by small recruitment agencies, concentrated in a few British industrial centres, with a heavy concentration in London.

Many of the agencies do not have large enough recruitment networks, nor do they always have the facilities to check comprehensively the qualifications or the work records of the men they send out.

But one of the main reasons for the high turnover is the culture shock experienced by relatively little-travelled, unsophisticated men during their first few weeks working in a foreign country. "Working conditions here are usually very good and living conditions, though not luxurious, are reasonably comfortable. The men are housed either in a modest pension or a company hostel. Costs are very moderate," says Mr. Fehler.

"The drawback is that while the men are physically well looked after, little is done for their mental welfare. There are always problems with home-sickness and there are lots of bitching about foreign food, the bureaucracy, the forms that have to be filled in and the problems of working in a country where they don't speak the language."

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LIVING CONDITIONS IN ROMANIA

Refugees from the rush for growth

BY PAUL LENDVAI, RECENTLY IN ROMANIA

ON THE day President Nicolae Ceausescu of Romania left for an official visit to the United States in April, 13 men and women gathered on the Piata Victoriei in front of the Government building in the heart of Bucharest. Three of them unfolded a transparent: "President Ceausescu travels to America, why can't we?"

Rounded up immediately by the militia, the young people, mainly waiters, told the police that they had written to complain to Radio Free Europe (RFE) the U.S.-financed radio station in Munich which broadcasts in East European languages, to the Voice of America, and to the Washington Post. They were released after a couple of hours. During the next few days their cases were discussed in Romanian language broadcasts on RFE. As a result of the publicity, within six weeks the "waiters' group" obtained so-called "brown passports" that is exit permits for people considered stateless.

Romanian police have been relatively lenient with some passport-seekers. Others in the past have had to spend several months hard labour, working on the new Danube-Black Sea canal, before receiving their coveted brown documents. But almost all of the 45 brown passport holders who left for Austria during the first five months of this year basically were non-political ordinary Romanians seeking a new start in life.

The phenomenon of what a Western observer calls "passport dissidents" emerged last year after Mr. Paul Goma, a dissident novelist, circulated a human rights petition which received international publicity. After a brief period of detention, he was allowed to leave for France. But Austria alone grants quick entry permits for holders of stateless passports. The French have only done so with a handful of celebrated intellectuals or artists. Between July and December 1977 some 70 "passport dissidents" left for Austria. In addition, many Romanians reach Austria after crossing illegally both the Romanian-Yugoslav and the Yugoslav-Austrian borders. Last year 500 Romanian refugees were recorded in Austria.

Ordinary Romanians have realised that they may get a passport only if their cases are in one way or another publicised. Ethnic Germans and Jews are special cases. Under arrangements with the West German Government, between 9,000 and 10,000 ethnic Germans will be allowed to leave annually during the next five years. The number of German emigrants reached 900 in April and about 800 in May this year.

The Jews also profit from the good relations between Israel and Romania, the only Eastern bloc country which maintains diplomatic relations with Israel. There are officially only some 27,000, but according to Israeli estimates just over 44,000 Jews are still left in Romania out of a community of 428,000 after World War II (leaving aside Bessarabia and Bukovia). Some 2,000 Jews emigrated in 1976, and 1,450 in 1977.

Except for Ethnic Germans, Jews and some Romanians with close family ties in the U.S., ordinary Romanians can hardly travel at all to the West. Though industrial output between 1966-76 was rising at an annual rate of 12.3 per cent, Romania has still a very long way to go before it can catch up even with the neighbouring Communist countries, let alone with the West. So hard currency is made available primarily for imports of machinery and equipment, rather than for travel.

Perhaps nothing in Romania is more striking than the contrast between President Ceausescu's foreign policy successes and world-wide reputation on the one hand, and the internal political, economic, and psychological situation on the other. For all the statistical victories and the higher than originally expected increase of real incomes during the current 1976-80 five-year plan, the returning visitor is struck by a curious quality of changelessness as far as the standard of living, the range and the quality of goods in the shop windows are concerned.

The returning visitor is struck by a curious quality of changelessness as far as the standard of living, and the range and quality of goods in the shop windows are concerned.

During a 780-mile tour of the country, I saw practically no meat and very little fruit indeed in the shops or on the markets. According to the annual statistical handbook for 1977, Romanian meat production per head was by far the lowest in Eastern Europe, totalling 36 kilos as against 46 in Bulgaria and 64 in Hungary. Meat and also fruit are exported, to the West, but also to the East to finance primarily imports of machinery.

With average earnings of about 2,000 lei a month, relatively few people can afford to buy a Dacia 1300 car (produced under a Renault licence) at 70,000 lei. A black-and-white TV set costs 3,600 lei, a washing machine about 2,500, a refrigerator 1,500 and a vacuum cleaner between 800 to 1,200 lei.

In terms of the consumer durables its citizens can buy, Romania lags far behind even Bulgaria and Hungary, let alone Czechoslovakia and East Germany. In assessing this performance one must recall such factors as the series of floods in the 1970s and the devastating earthquake of March, 1977. But it is also the price which has been paid for the country's all-out drive for industrialisation.

Since Mr. Ceausescu took power in 1965 the investment as a proportion of the national income has risen from 24.3 per cent in 1961-65 to 28.8 per cent in 1966-70 and to an all-time peak of 34.1 per cent in 1971-75. Senior officials told me that at least up to 1980 this concentration on investment will be maintained. They also said that the latest measures intended to gear output to demand and give greater scope for enterprises will not touch the principles of "democratic centralism" and central planning. "We do not speak about decentralisation," he added meaningfully.

It is difficult to judge how far living standards will be affected by the recent steep rise of fares for public transport, railway, river and sea and air travel, as well as of the tariffs for a variety of services and of prices for coffee, pepper and olives. It is officially claimed that despite the latest increases average real incomes during 1976-80 will rise by 32 per cent as against the originally expected 20 per cent.

The papers keep on publishing charts and drawings about the projected two-stage increase of earnings which will start on June 1, benefiting over 1.5m employees. Miners in the Jiu Valley, who protested with a stoppage involving 30,000 people last summer against curbs of pensions are clearly privileged now. Their monthly wage should rise in two stages from 2,618 lei in 1975 to 3,990 by the end of the five-year plan.

Austerity, law and order remain the underlying principles of President Ceausescu's rule,

President Nicolae Ceausescu.

but optimists hope that recent sharp criticism of bureaucracy and centralism will open a new phase. He has also expressed his willingness to do something tangible about the complaints of national minorities. After having received Professor Lajos Takacs, vice-president of the Hungarian National Council, in early March, he gave instructions to prepare a thorough report about the education in Hungarian in 16 counties where most of the 1.7m Hungarians live. He also promised to revise the posting of Hungarian graduates to far-away places and the posting of officials and experts to the Hungarian or German areas who do not speak the language of the minorities.

The situation in Transylvania is in flux. The Germans want to leave, the Hungarians are waiting for the response to their catalogue of grievances. It is felt both by thoughtful Romanian and Hungarian observers that a new outburst of national passions would harm not only the majority and the minority, but also the very foundations of Romania's foreign policy which has resisted foreign domination and gained world-wide respect.

Egypt 'will go to war again' if peace initiative snubbed

CAIRO, June 7.

PRESIDENT ANWAR SADAT has said Egypt will go to war again if Israel does not respond to his peace moves—by far his strongest statement since the beginning of direct peace talks almost seven months ago.

Mr. Sadat told units of Egypt's second army, which led the canal crossing in the 1973 October War, they would have to "complete the battle of liberation if it becomes imperative as a result of Israel's failure to understand the spirit behind the (peace) initiative."

Until recently, Mr. Sadat has repeatedly said the 1973 war would be the last against Israel.

The Egyptian leader, speaking in Ismalia yesterday during a tour of the canal area, added: "We are prepared to give Israel peace and security, but not a single inch of our land."

Direct political and military talks between Egypt and Israel have been stalled for almost five months. Mr. Sadat reiterated yesterday they would not resume until Israel changed its stand.

Egypt wants self-determination for Palestinians on the West Bank and Gaza Strip and removal of Israeli settlements and airfields in Egypt's occupied Sinai Desert. Israel rejects both demands.

Mr. Sadat clearly wanted to reassure the army of its central role in his attempts to reach a peace agreement and was at the same time responding to feelings of frustration in Egypt over what is seen here as Israel's failure to react to the peace overtures.

But Mr. Sadat's warning should be seen as a long-term threat as the military balance is heavily in Israel's favour and is unlikely to be altered in the immediate future.

Mr. Sadat told the troops yesterday: "If there is any question of threatening Egyptian territorial sovereignty or integrity, I shall give you the order (to go to war) as I did in October 1973."

But he made it clear he was still committed to seeking a peaceful solution and said his peace initiative had not failed. He also acknowledged peace could not come in six or seven months.

He said his peace moves had brought about a drastic change in America's Middle East policy. "Today, America is not in a state of enmity with the Arabs. This is all over thanks to the initiative," he said.

Mr. Sadat gave no indication of any change in Egypt's position over a settlement. He said Israel would have to withdraw completely from Sinai and despite some Palestinian "vituperation," Egypt could not accept a peace plan that did not solve the Palestinian question.

Mr. Sadat also said he would not accept the presence of any Israelis in a proposed UN peacekeeping force in the strategic port of Sharm el Sheikh at the entrance of the Aqaba Gulf.

He added he was prepared to sign an international agreement guaranteeing the freedom of navigation in the Aqaba Gulf.

After the withdrawal, Egypt, he said, was prepared to accept a demilitarised zone, a limited forces zone, a UN peace-keeping force and early warning stations. Reuter

David Lennon adds from Jerusalem: Israel today described President Sadat's warning that he may opt for war if the peace talks failed to make progress as "an obstacle to peace." But a senior official in Jerusalem said the Egyptian leader's declaration would not affect Israel's stance in the negotiations.

Such declarations explicitly contradict previous Egyptian undertakings, the official said. He noted the clause in the 1975 Sinai agreement in which "the parties undertake not to resort to the threat or use of force against each other."

The Israeli Government has been restrained in its reaction to recent statements by President Sadat in an attempt to demonstrate moderation.

Row in Lebanon over guerrillas

BY IHSAN HIJAZI

BEIRUT, June 7.

A POLITICAL row is raging here as the Government goes ahead with plans to despatch units of the Lebanese army to southern Lebanon when the Israelis pull out of the area next Tuesday.

The "Lebanese Front," a coalition of Christian right-wing factions and political leaders, has issued a strongly-worded statement demanding an immediate disarming of Palestinian guerrillas and declaring all Government agreements with the Palestine Liberation Organisation (PLO) null and void.

The left-wing and pro-Syrian press accused the Front of deliberate escalation of tension to hold up the projected Israeli withdrawal from the border area.

President Elias Sarkis today headed a meeting by the Cabinet at which measures for sending the army to the south were discussed. Mr. Sarkis reached an agreement on the matter with President Hafez Assad of Syria when they met at the Syrian port of Lattakia last week.

Prime Minister Selim al Hoss was to meet tonight with a delegation of the PLO to ensure Palestinian co-operation regarding the government's military plans for the south.

Right- and left-wing groups have, for different reasons, objected to the plans. Mr. Chamoun, leader of the Right-wing National Liberal Party, insisted that before the army is ordered to move its supply and communications routes must be cleared of Palestinian guerrilla domination. The Left-wing groups said the army should be re-built first to ensure a Christian-Moslem balance. In their present structure, the troops are Christian-dominated and their presence in the south will tip the scales in favour of the Right wing, they said.

No date has been fixed for despatching army units to the border area.

About 2,000 troops forming the armoured Litani Brigade are standing by at camps in the Bekaa valley in east Lebanon awaiting orders to move out.

Reuter adds: The UN peace-keeping force in southern Lebanon (UNIFIL) will not accept any conditions on the withdrawal of Israeli troops from the area, it said today.

A UNIFIL spokesman was commenting on reports that Israel wants to maintain military observation posts in the south after the final evacuation, scheduled for next Tuesday.

"There can be no question of conditions. We will respect only the will of the legitimate authority which is the Lebanese Government," the spokesman said.

Lebanese newspapers reported yesterday that a list of Israeli demands had been conveyed to Lebanese leaders by General Ensio Siilasvuo, commander of UN forces in the Middle East.

The spokesman said there were still some armed men behind UN lines and occasional attempts by others to infiltrate the area. However this was no longer a serious difficulty and the situation was now under control.

He said about 5,000 UN troops were now deployed in the south, and the force was expected to be at its full strength of 6,000 by the Israeli withdrawal date.

Japanese protest at Soviet 'war games'

Russian Marines and paratroopers have swarmed onto an island claimed by Japan during military exercises in the northern Pacific, Japanese Defence Agency officials said yesterday, Reuter reports from Tokyo. They said they believed 1,000 Soviet troops had been practising air and amphibious assaults on the island of Etorofu in the Kuriles chain for several days. Etorofu is one of four islands in the Kurile chan claimed by Japan but occupied by Russia since the end of the Second World War.

Japan had already protested against the Soviet war games, saying they would violate international law and endanger Japanese fishing boats in the area. Officials said they had received information that troops had been manoeuvring on the island since about May 20. They said the troops were believed to be making amphibious assaults from four 2,500-ton class landing ships.

SAVAK chief appointed

The Shah of Iran yesterday appointed Lt.-Gen. Nasser Moghadam, his head of military intelligence, as the new head of SAVAK, Iran's secret police. He replaced Gen. Nematollah Nassiri, who was appointed ambassador to Pakistan after 14 years as SAVAK's chief, our Foreign Staff writes.

General Moghadam, under his previous appointment, also handled counter-espionage. In addition he was head of a shadowy and little-known "special intelligence" bureau, and special adjutant to the Shah.

Belgian withdrawal

Belgium announced yesterday it would progressively withdraw its paratroops from Zaire as soldiers from African countries take over from them, Reuter reports from Brussels. Belgium still has 600 troops in Zaire.

Australian immigration

Australia yesterday announced new immigration rules to attract 210,000 people, especially businessmen, in the next three years, Reuter reports from Canberra. Mr. Michael Mackellar, the Immigration Minister, told the House of Representatives the rules, which introduce a points system, aimed to attract people who could make a positive contribution to economic, social or cultural life in Australia.

After nearly 100 days of the internal agreement TONY HAWKINS assesses the chances of success.

Peace prospects dimmer

TOWARDS THE end of the first 100 days of Rhodesia's transitional Government, it is evident that the odds are lengthening against the internal agreement signed on March 3 by Mr. Ian Smith and the three domestic nationalist leaders. Three months ago, it seemed that despite Western mistrust of Mr. Smith and the hostility of much of black Africa and the Communist bloc, it was just possible, given a generous measure of good fortune, that the internal agreement might provide the basis for a reasonably peaceful transition to black government in Rhodesia.

Today, that prospect looks increasingly remote, mainly because, to date at least, the multiracial interim Government has failed to defuse the escalating guerrilla war. It now engulfs rural areas throughout the country. Furthermore, the transitional government's failure to arrive at a ceasefire has not been offset by the kind of urgent and dynamic domestic policy programme necessary to derive maximum impact from its first 100 days in office.

From the outset, the critics—both at home and abroad—have said that the Salisbury agreement falls short because it will fail to end the 5½-year-old guerrilla war. This criticism springs from the fact that the Nkomo-Mugabe Patriotic Front alliance excluded itself from the internal talks — partly at least because it fears losing genuinely free elections and with Soviet, Cuban and other Communist assistance, has promised to discredit the Salisbury government and to disrupt the one-man one-vote elections it plans to hold in December.

On the evidence of recent weeks, the tide is running the PF's way. Since the transitional government publicly appealed for a ceasefire five weeks ago, the tempo of the war—to the extent that this can be gauged from the casualty figures—has, if anything, increased. So far this year more than 1,800 people have died in the war and at present the casualties are running at 100 a week. This compares with an average of the three people a week in the first five years of hostilities.

Of course, the PF was expected to step up its war effort during the 10-month transitional period and to that extent the intensification of the war can hardly be described as surprising. But the credibility of the transitional administration and of the Rev. Ndabaningi Sithole, in particular, has been dented to the extent the three black domestic political leaders do not appear to exert much influence upon the "boys and girls in the bush," the guerrillas.

Mr. Sithole's credibility is at stake because many times in recent weeks he has forecast a rundown of the war, arguing that many of the ZANLA guerrillas, operating in the eastern half of the country, are loyal to him and not to Mr. Mugabe or General Tongogara in Mozambique. This week Mr. Sithole again promised a marked de-escalation of the war within the next six to eight weeks. But he was saying the same as long as a month ago.

Rhodesia's internal leaders: top, Chief Chirau and Bishop Muzorewa; below, Mr. Smith and Rev. Sithole.

The importance of the ceasefire cannot be exaggerated. Without a significant reduction of hostilities it will not be possible to hold elections in December, let alone elections that might pass muster in a hostile world as "free and fair." So long as the guerrillas believe that they have the upper hand in the war and that white determination is being eroded they have every incentive to pile on the pressure, and increasingly less reason to attend an all-party conference at which "free and fair elections" could be discussed. Hence Mr. Nkomo's somewhat bombastic assertion this week that he will return to Rhodesia only as "a fighter."

The ceasefire is critical also because of its implications for the whites in Rhodesia. In the past nine months the rate of net white emigration from Rhodesia has slackened dramatically, falling nearly 40 per cent in the first four months of this year, compared with the same period last year. That this should be happening at a time of a widening guerrilla war, falling employment and real incomes, and on the eve of the handover to black rule is something of a surprise.

It appears to reflect a willingness to "wait and see" how the interim government works and what prospects there will be for a white minority in Zimbabwe. But if the war does not start to slacken soon, then the emigration figures are likely to rise again sharply. There are very few whites indeed who are willing to risk their lives for a black government, especially one which does not resort to conscription for young blacks into the security forces as well as whites.

The nearer we get to Zimbabwe Day on December 31, the greater will be the reluctance of the whites to be called up to fight the war. It is hard indeed to see how the present call-up system can be maintained after January 1, 1979. This point has not eluded the PF which, in its calculations, must be considering the possibility of a marked reduction of the efficiency of the Rhodesian military machine at the end of this year.

If the transitional government's ceasefire performance has been a disappointment, so too has its failure to make greater headway in the realm of domestic policies. The credit side of the balance sheet shows the release of more than 700 of some 900 political detainees, an end to executions of convicted terrorists, the appointment of an all-party multiracial commission to draft a detailed constitution and recently the decision to hold elections via the proportional representation "party list" system.

But in the realm of racial discrimination, there has as yet been no movement, and far from accepting the urgency of the situation Mr. Ian Smith and some of his top ministers persist in clinging to their claim that the bulk of the racial legislation in Rhodesia today is designed to protect the blacks and discriminate against whites, coloureds and Asians.

Very little has been done to sell the agreement at home or abroad. Here the black ministers are more at fault than the whites, showing a marked reluctance to venture out into the rural areas and tell the people what has been achieved. Indeed, some of the black ministers are devoting more time and energy to reassuring the whites than the much more urgent task of securing black support.

Above all, there is very little visible evidence of change. The transitional government has yet to announce a single measure that seeks positively to redress the balance in favour of the country's 6½m blacks. It may be, that after 100 days, this is too harsh a criticism and that more time is necessary.

On the legislative front, the moment of truth will come later this month when parliament reassembles for the budget session. If there is no major legislation then to remove discrimination in urban areas and if the budget in July is framed, as in the past—with white interests paramount—then Bishop Muzorewa, will come under intense pressure from his supporters to pull out of the coalition.

It is still too early to say that the internal settlement has failed. It has certainly got off to a shaky, hesitant and unpromising start. But a tougher line by the West against Russian-Cuban adventures in Africa, a possible Tory victory in British elections this year, further deterioration in the Zambian economy, more friction within the Patriotic Front alliance—all of these are possibilities that could after all smooth the way ahead for Salisbury. Above all, the internal agreement's strongest card is that there will be a black government in Salisbury in January. This is a timetable that Dr. Owen and Mr. Vance cannot hope to match through their all party conference.

AMERICAN NEWS

Californian vote may signal revolt by property owners and taxpayers

BY JUREK MARTIN IN LOS ANGELES

"SAVE THE American Dream," read the hat bands and the banners in the Biltmore Hotel here on Tuesday night. And when Mr. Howard Jarvis, a perennial Californian conservative gadfly who, at the age of 75, had just been instrumental in cutting State revenues by $7bn at one fell swoop, appeared to take his bows he was greeted by his solidly white midle-age home-owning audience as a magician whose next trick would be to cut mortgage rates with a twitch of his heavy jowls.

Mr. Jerry Brown, the young state governor whose political fortunes have taken a sharp, though possibly temporary, turn for the worse, was dutifully sober —as well he might be since he has been charged with the difficult task of substantially cutting state services while running for re-election. "The people have spoken very clearly," he intoned. "It's an idea that the home is a castle and won't be taken away by property taxes." If there was irony in Jerry Brown, the successful apostle of the politics of reduced expectations, being ordered by his constituents to practise what he has preached, nobody chose to allude to it.

But the real question is whether what happened here yesterday is simply the latest example of California madness or, as some of the pundits claim, the largest manifestation to date of a national taxpayers' revolt, with implications that go far beyond the problems now confronting Jerry Brown.

It must be said from the outset that what the Californian electorate did yesterday, by a two to one majority, was in its own way quite revolutionary. Imagine, if you will, ratepayers in London ordering the GLC to cut the rates substantially, to abide by a strict formula limiting future increases and, in effect, ordaining that spending on public services be reduced by the amount of lost revenue.

Special circumstances, including a round of steep property tax increases in the populous Los Angeles area within the last month, may have exacerbated home-owner outrage and persuaded many moderates to join what had been a conservative cause, but the result was indisputably dramatic.

The Californian action is different from what has happened or is pending in well over a dozen other states in that it focusses on a particular tax (property), whereas elsewhere the tactics have been to curb local government spending generally by tying it to the rise in state personal income or output. In addition, some 20 state legislatures have passed motions urging that a national constitutional convention be held to declare illegal any Federal budget deficit. There are also a fistful of Bills in Congress sponsored by Republicans who see tax cutting and lower Government spending as potent electoral issues this year and in 1980.

The Carter Administration might like to match fire with fire, but, of course, is much more constrained by macro-economic realities. It is trying to reduce its budget deficit so as to combat inflation, but has been obliged to pare its own tax reduction package for the same reason. It can hardly support the Congressional Bills because their consequences remain unpredictable and their social equity is questionable. The last thing that President Carter can risk at present is an explosion in growth, with all its inflationary consequences.

Governor Jerry Brown (left) must now make substantial expenditure cuts following the vote engineered by Mr. Harold Jarvis (right).

But the circumstantial evidence pointing to the existence of a national taxpayers revolt with profound consequences for federal and local politics and economics is not yet conclusive. It is, for example, by no means clear that the movement, which is largely parochial at present, can coalesce into a cohesive force and sustain itself over time.

It is also true, special factors in California not withstanding, that this remains essentially a movement of the conservative white property-owners. The crowd at the Biltmore Hotel last night made no bones of the fact that they wanted to pay less taxes so as to rid the state of "welfare freeloaders and cheaters," but not to see police and fire services cut. It is a familiar refrain which strikes some chords but, as conservative leaders from Barry Goldwater to Ronald Reagan have found out, it does not win many elections.

It did not do so yesterday here, where support for the tax initiative was not, in the event, the sine qua non of success in the primary elections as many thought it would be. Mr. Ed Davis, the former Los Angeles police chief, had taken this conscious gamble in the Republican governors primary by ardently backing the measure, but the voting showed him unable to break out of his conservative southern Californian straitjacket, and he lost.

Two of the other candidates were probably damaged by their opposition to the initiative. But the winner, middle-of-the-road Attorney General Evelle Younger, gave it only guarded and considered support. Yet he survived the onslaught of Mr. Davis in a state whose Republicans have frequently shown a predilection for colourful conservatives.

The November election between Mr. Brown and Mr. Younger may turn out to be more instructive, however. In the first place it will determine whether the Governor is still a national political figure in the making. A year ago the assumption was that he would obliterate any Republican opponent and use that victory to launch himself into the national political stratosphere. Now, the polls give him a scant one point lead over the dour Mr. Younger.

The key to the November result—one which the rest of the nation will watch with great interest for many reasons—may well be exactly how Mr. Brown implements the spending cuts he must now carry out. There is the chance that yesterday's result will be challenged, and delayed or conceivably overturned, in the law courts, but the governor is not referring to this possibility. He has some room for manoeuvre; the state has an estimated $5bn budgetary surplus which he can deploy to help offset the $7bn in lost property tax revenues, but he must do this by the start of next month when local authority budgets must be in place.

Mr. Brown is nobody's fool when it comes to politics. Sensing the state's mood, in the last few days he dropped his doomsday predictions of the consequences for municipal finances of passage of the tax initiative. Now he is promising "sensitive" spending cuts—and no extra compensatory taxes—in the clear hope of proving to the state that he possesses the managerial competence his critics accuse him of lacking. He might succeed, for he can be a good salesman; but he might find himself being blamed for cutting anything by an electorate which wants to have its cake and eat it.

Above all it will be possible ofr the nation (not to mention the economics profession) to see how its most populous state handles and reacts to the austerity it has set itself. On that may rest the longevity of the taxpayers' revolt, for if California, often the leader of the nation, finds it cannot abide cuts in public services, then the rest of the country will undoubtedly take note.

Bill aims to tighten controls on U.S. banks

By David Lascelles

NEW YORK, June 7

ACTING IN the wake of the Bert Lance affair, a House banking sub-committee has approved a Bill which aims to tighten regulatory control over the U.S. commercial and savings banking industry.

But parts of the Bill have been denounced by the American Banking Association (ABA) as unnecessary and anti-competitive, and it is not clear at this stage whether the Bill in its present form will ever become law.

The most controversial part of the Bill, called Title 13, was the subject of a separate vote yesterday, and it only just scraped through on a tie.

This section would limit the activities of bank holding companies to those "directly related" to banking and of benefit to society. At the moment the regulations are more loosely worded, referring only to "closely related" activities.

The Bill would also give the Fed the power to set the number of outside directors on bank boards, and establish capital requirements for all the subsidiaries of a bank holding company, even those that are not members of the Fed. Other parts of this section would restrict the freedom of banks to deal in insurance and acquire other banking assets.

However, although the ABA has bitterly opposed Title 13, it has voiced general support for the rest of the Bill, which has already been dubbed "the Safe Banking Act."

The main features are:

The extension to non-national banks of the rule that a bank cannot lend more than 10 per cent of its capital account to insiders, including affiliated companies;

Loans by banks to insiders of other banks with which they have a correspondent relationship should be at "non-preferential terms";

Commercial banks should report annually the total amount of their loans to major stockholders and executive officers;

The strengthening of the federal banking authorities' power to remove banking officers who engage in "unsound and unsafe" practices, to order bank holding companies to divest themselves of a subsidiary bank if the holding company's non-banking subsidiaries are endangering the bank;

Individuals wanting to buy commercial or savings banks would have to notify the regulatory agencies 60 days in advance

The Bill is due to go before the House Banking Committee later this month. In the meantime it is certain to be the subject of intense lobbying, and it is possible that it will in the end emerge in a milder form.

Carter considers further cuts in stimulus package

BY DAVID BELL

WASHINGTON, June 7.

THE CARTER Administration is now seriously considering making a further cut in the proposed multi-billion dollar economic stimulus programme because of mounting concern about inflation.

The $24bn tax cut originally proposed has already been cut once to some $19bn which would result in a federal deficit for the fiscal year 1979, beginning this October, of some $53bn. But Mr. William Miller, the chairman of the Federal Reserve, and others are now arguing that the deficit must be brought still lower, perhaps to around $48bn.

Some sources within the Administration say that the President has given the Treasury and the Office of Management and the Budget permission to try to find ways to cut spending by between $3bn and $5bn. There is a suggestion that the further cut will be approved before next month's economic summit in Bonn, as a gesture of U.S. determination to reduce inflation.

It is likely that rather than announce another reduction in the stimulus programme the Administration will simply drop its attempt to persuade Congress not to pare the programme further. But it is recognised that further cuts in the budget could have serious political consequences among some of the groups that have traditionally favoured the Democratic party.

At the same time there remains some concern that too sharp a reduction in the stimulus programme could prove counter-productive at the end of this year and early next when there may be a slowdown in economic growth. The Administration experts tend to think that the economy will actually do a "soft landing" later this year and that the 4 per cent growth rate that results may be about right.

In any event there is no doubt that the current preoccupation of the American people and of the Administration is inflation, and it is popularly perceived now that the size of the federal deficit has a direct impact on the rate of inflation.

Furthermore the Administration is well aware that if it ignored Mr. Miller's advice the chances are that the Fed would move still further to tighten credit and this would of itself slow the economy down.

The belief of some officials is that the tighter fiscal policy is seen to be, the easier Mr. Miller will find it to relax interest rates a little. He has already publicly warned that in the absence of more fiscal restraint the Fed may feel that it will have no alternative but to push rates higher and, possibly, precipitate a recession. Such an outcome in the middle of the 1980 election year is exactly what the Administration fears.

● Meanwhile the Administration has taken its anti-inflation campaign a stage further. Mr. Michael Blumenthal, the U.S. Treasury Secretary, has written to some 200 heads of banks, brokerage houses and insurance companies asking them to follow the lead of several large companies, including General Motors and American Telephone and Telegraph in controlling the salary rises of executives and other costs.

Mr. Blumenthal asked the chairmen to help the administration reach its goal of "reducing the economy-wide average increase in total compensation" by "at least a percentage point a year."

Caution on investment

BY OUR OWN CORRESPONDENT

NEW YORK, June 7.

BUSINESSMEN in the U.S. have not been sufficiently encouraged by the strong rebound in the U.S. economy since March to significantly increase their modest spending plans

The latest Commerce Department survey of business spending plans confirms that the real growth in capital investment this year will fall well short of the 7 to 8 per cent that the Carter Administration had hoped for.

The survey taken in April and May, finds that after adjusting for inflation spending should be just under 6 per cent higher than last year. However, this projected real increase is based on a 5.3 per cent inflation rate, which many economists expect to be between 1 and 2 per cent lower than the actual rate.

The last survey taken by the Department, in March, pointed to a total spending this year of $150.7bn, an inflation-adjusted increase of 5.5 per cent. The most recent study reveals a slight increase in projections to $151.1bn, which would be a real increase of 5.9 per cent.

In gross terms, the latest figure is 11.2 per cent more than the $135.8bn spent last year which, after adjustment, was a real increase of 7 per cent over spending in the previous year.

The Commerce Department's figures would appear to confirm the general expectation of a significant slowdown in U.S. economic growth in the second half of this year.

Alaska oil line price cuts call

By John Wyles

NEW YORK, June 7.

THE SUPREME COURT has dealt a serious setback to the eight oil companies which own the trans-Alaska pipeline. They have been resisting an Interstate Commerce Commission (ICC) ruling that they must lower their charges for transporting oil through the pipeline.

The Supreme Court justices have upheld a lower court dismissal of the company's complaints that the ICC exceeded its powers in suspending their rates for seven months from last June and proposing interim charges it would accept.

The oil companies were trying to unravel some obscurities in the judgement this morning. Last October, the court issued a stay of execution of the ICC order which in effect allowed the oil companies to charge the rates they desired until the suspension expired on January 28.

The ICC did not schedule lower rates for the period since January 28 and so the oil companies have continued to charge between $6.04 and $6.44 a barrel.

The court also said that the companies might have to refund some of the charges if a Federal Energy Regulatory Commission investigation found they were excessive. But it did not make clear whether the refunds would have to cover the entire period since last October or merely the term of its suspension order to January 28.

The oil companies, which include BP, Exxon, Mobil and Atlantic Richfield, have argued that they fixed their charges in accordance with an established ICC formula which aimed to fix a fair rate of return on their investment. They claimed that the ICC's suspension powers did not relate to new services and that the ICC had not given them a hearing on the rate structure.

Poll pleases Canada's Liberals

By Victor Mackie

OTTAWA, June 7.

CANADIAN Liberals, elated over the latest Gallup Poll which showed their party once again more popular than the Progressive Conservatives, were speculating today that this would encourage Mr. Pierre Trudeau, the Prime Minister, to call his postponed election in the autumn.

The poll showed the Liberals with 43 per cent of popular support, the Progressive Conservatives with 39 per cent, the New Democratic Party 15 per cent, and others 3 per cent.

This compares with an April poll which showed the Liberals with 41 per cent, the Progressive Conservatives with 41 per cent, the NDP 14 per cent, and others 4 per cent.

The undecideds in April were 39 per cent but in the latest poll, taken in May, showed them down to 27 per cent. The drop occurred in all regions.

The Conservatives, while disappointed that they had slipped, were pleased that the poll result would persuade Mr. Trudeau to continue as leader of the Liberal Party. After the Gallup Poll in April pressures were building within his party for a leadership convention. Those pressures will now abate.

The Tories would rather run in the next election against a Liberal Party led by Mr. Trudeau, than against a revived Liberal Party under a new leader such as Mr. John Turner, the former Finance Minister who quit the Trudeau Cabinet.

The Tories were also taking solace from the fact that they have slipped into second place. They would prefer to enter the campaign as underdogs rather than in the lead or even tied with the Liberals.

Colombian poll 'victor' challenged

BOGOTA, June 7.

A POLITICAL storm in Colombia today threatened to overshadow Liberal Party candidate Julio Cesar Turbay Ayala's victory in last Sunday's presidential elections.

Conservative Belisario Betancur, trailing by nearly 87,000 votes with only a few thousand votes still to be counted, challenged the authenticity of the results issued by the national registry.

With 97 per cent of the votes counted last night, the national registry gave Mr. Turbay Ayala 2,303,034 votes against 3,216,675 votes for Mr. Betancur.

Reuter

MEXICO'S OIL-RICH ECONOMY

Looking for long-term stability

BY STEWART FLEMING RECENTLY IN MEXICO CITY

Thanks to its oil Mexico is now popular with commercial banks anxious to lend their excess money. But rapid expansion of capital intensive sectors of the economy is no solution to the social problems facing the country.

MEXICO has within 18 months moved from the verge of financial crisis to being a developing country to which international bankers are eager to advance new funds.

A measure of that transformation is the enthusiasm of the international banking community for a new multi-million dollar loan to the country's export bank, Banco Nacional de Comercio Exterior. When it was originally mooted it was thought that banks might be ready to advance $250m. Now, with syndication complete, bankers working on the deal estimate that $750m could be subscribed at a rate of only 1 percentage point over LIBOR. And there are suggestions that when the next Mexican state borrower comes to the market it will be able to borrow even more cheaply.

In part the stampede to lend in Mexico reflects the banks' own embarrassment of riches—too much money to lend and too few good creditworthy borrowers at their doors. But there has also been a transformation in the immediate outlook for the Mexican economy. Mexico has discovered that it is sitting on the biggest proved oil reserves in the western hemisphere.

But while this windfall has delighted bankers, who barely two years ago were worrying about the wisdom of allowing Mexico to become one of the most heavily indebted of the developing countries, observers are wondering about the long-term impact of the oil on the country just as they are in Britain.

At this stage, the transformation in the Mexican economic situation is primarily financial. The deeper question is whether, given the formidable social and demographic strains it is suffering, the country can find a path to stable long-term development.

In December 1976 the idea that Mexico might be in the relatively comfortable position of worrying about its long-term future seemed barely conceivable in view of the immediate economic upheavals it was facing. As President Luis Echeverria Alvarez's six-year term came to a close the country was forced by raging inflation and fears of political instability into its first devaluation of the peso for 22 years in August.

In the previous four years, ill-conceived economic policies which coincided with the international economic upheavals following the 1973 oil crisis, had forced Mexico into the financial markets on an unprecedented scale. Its external debt had tripled to almost $20bn., and along with Brazil, it had become the developing country most heavily indebted to U.S. commercial banks.

Sr. Echeverria's successor, President José López Portillo quickly and to many observers surprisingly, abandoned his mentor's populist rhetoric and failing economic policies, negotiated support with the International Monetary Fund. He squeezed economic growth down to the 2-3 per cent level in real terms in 1976 and 1977 and inflation from 30 per cent to an estimated 15 per cent this year.

In the process, he accepted strict limits on the growth of foreign external debt which the IMF demanded of no more than $3bn in 1977 and 1978. These changes alone would have re-assured bankers, some of whom it is suggested came close to their lending limits, to the point where it has made them eager lenders again.

Mexico has been an oil producer since the beginning of the century when the first Lord Cowdray acquired leases. But its reserves had never been fully exploited. Mysteriously, even as he was taking office President López Portillo was able to announce that the national oil company, Pemex, had raised its estimated reserves from 6bn barrels to 11bn, an increase which put them on a par with the Alaskan North Slope.

Now the Pemex estimates, which have been authoritatively validated, are proved reserves of 16bn barrels—equivalent to the British North Sea—and probable reserves of at least a further 31bn barrels. A more uncertain estimate the oil company has put out is that there are potential reserves of 120bn barrels, including the proven and probable figures.

At an international banking conference last week in Mexico City, Sr. David Ibarra, the Finance Minister, predicted oil and gas production of 2¼m barrels a day by 1980, two years earlier than previous estimates. It is assumed that about half will be exported to bring in $6bn annually of foreign exchange earnings. Mexico's current account payments deficit in 1977 was $1.7bn. Looked at this way, the picture seems rosy particularly since Mexico is well advanced in petroleum technology—Pemex has an enviable reputation—and is making rapid progress in the development of petrochemical related industry and the expansion of such basic capital intensive sectors as steel and electricity generation.

Rapid expansion of capital intensive sectors in the economy are no solution to the social and demographic problems facing the country, problems which are self evident on arrival in Mexico City. Currently 12m of Mexico's estimated population of 65m sprawl over the city. Inadequate water supplies and elevation of 7,500 feet above sea level make it a far from desirable location for one of the world's largest urban concentrations. Some estimates suggest that by the end of the century (by when Mexico's population could have almost doubled to well over 115m on current trends) Mexico City's population might rise to 30m-40m.

It is this population growth and the heavily skewed age distribution, with 40 per cent of the population 14 years of age and under, that put the Pemex oil discoveries into a less reassuring perspective.

Even if the economy returns to its 1960s growth track of 6 per cent or more a year, how can the industrialising sector with new investment weighted towards capital intensive industry absorb the population? This year 700,000 young people are looking for jobs in an economy expected to create only 100,000 new vacancies.

Even with rapid progress in the industrial sector, the country faces formidable problems integrating the large peasant workforce into an industrial society. Their migration to Mexico City and its phenomenal expansion are not reassuring indicators.

Neither is the severe maldistribution of wealth. The counterpart of the 40 per cent of the population living in the country, many in grim peasant conditions, are the 5m citizens who control 50 per cent of the nation's wealth.

Mexico's leaders look around the world at the other oil rich nations who have failed to make a successful transition to industrial status. They are already concerned about the example of Venezuela—they cannot but be aware of the formidable problems ahead.

It is hard to imagine that with the oil to lubricate the rapid industrialisation of some sectors of the economy and to accelerate change, the pace of development will not lead to social and political tensions. The main comfort of the country's leadership must be Mexico's enviable record of political stability, the main concern the record of intermittent violence.

WORLD TRADE NEWS

EEC unlikely to make promises to Australia

BY MARGARET VAN HATTEM

BRUSSELS, June 7.

MR. VICTOR GARLAND, Australian Minister for Special Trade Representation, can expect a non-committal, "like it or lump it," reply if he tries to win assurances of specific trade concessions from the European Commission during two days of talks that open here tomorrow.

Australia wants assurances from the EEC that in the current Multi-lateral Trade Negotiations (MTN) in Geneva, it will get increased access to EEC markets for beef, sheep meat and fruit, and less competition on third country markets from heavily subsidised EEC exports such as beet and dairy products.

But the message from Brussels is that the Australians have no choice but to accept the Commission's vague indication that *concessions may be made.* The Commission appears adamant that in bilateral talks no specific assurances can be made, no commitments undertaken and no figures discussed.

Australia has been fighting for more than eight months, in mounting bitterness and distrust, for guarantees of support in Geneva. Relations were so soured in April, after threats by Mr. Malcolm Fraser, Australian Prime Minister, of retaliation against EEC exports that talks were postponed until June.

Mr. Fraser's suggestion in April that EEC exports of brandy and cheese might be curbed and EEC companies excluded from Australian transport and defence contracts provoked a strong *diplomatic protest from* Sir Roy Denman, EEC External Affairs Director. *The Australians have* since dropped all talk of retaliation.

Current indications are that *the Australians may be prepared* to be moderate pending progress *in Geneva.* But the strength of public opinion in Australia, *where the negotiations have become* a national issue, puts Mr. Garland *in an awkward position,* which has not been helped by *aggressive statements from his* Prime Minister.

The toughness of the EEC stand, which has yet to be tested, appears based on the conviction that the Australians are powerless in the short term. In the long term, the EEC recognises the need to settle agricultural *differences* and preserve relations if it wants preferential *access to* Australia's *raw* materials and energy.

Possibly the most Mr. Garland can hope for this week is an unwritten indication of what concessions *may* be offered in Geneva. The Commission's negotiating mandate is flexible and talks at the EEC Foreign Ministers council in Luxembourg late last night showed divisions within the Community over concessions to offer.

India plans to buy more steel

By K. K. Sharma

NEW DELHI, June 7.

THE INDIAN Government has decided to import 5m tonnes of steel in the next five years, of which 1.2m tonnes are to be ordered immediately to meet local shortages, mainly in structurals.

At the same time, the Government has decided to establish a blast furnace at Vishkpatnam in Andhra State, to produce pig iron for export to Russia. The initial capacity of the blast furnace will be 1m tonnes to be raised later to 3m tonnes. Eventually, the project will become a full steel plant.

India's plans for steel exports remain unaffected and commitments already made—especially of billets to Iran, shipment of which has been delayed—will be honoured.

● *The Government-owned* Balmer Lawrie group of companies has won a Rs 40.5m contract from the Abu Dhabi National Oil Company for part of a lube oil blending complex. The group will instal pipelines, pumps, valves, blenders and electronic controls. When the blending process is completed, the group will provide continuous filling facilities for packages of various sizes.

Balmer Lawrie has just completed a Rs 14m container plant for Caltex in Dubai and has been awarded a similar contract by the Abu Dhabi National Oil Company.

Trade terms 'harder for Japan'

BY DAVID HOUSEGO

THE TERMS of trade have moved more sharply against Japan in recent years than against either the U.S. or the EEC according to new statistics collected by the United Nations Conference on Trade and Development (UNCTAD).

The UNCTAD secretariat offers no explanation for the phenomenon, although the reason would seem to be a combination of the severer impact on Japan—which imports virtually all its fuel—of the increase in oil prices and Japan's success in holding down the prices of its exports.

Using 1970 as the base year, the UNCTAD index records an almost 30 per cent shift in the terms of trade against Japan by 1976—the last year for which figures are available. For the United States there was a decline of 11 points in the index and eight points for the EEC.

By contrast major oil exporters had registered a three-fold improvement in their terms of trade by 1976. Other developing countries suffered a decline similar to the U.S. and Europe—though there has probably been a further worsening in their terms of trade since then with the downward trend in primary commodity prices. Hardest hit among the developing countries on the 1976 figures were the small group of mainly Asian countries classified as fast growing exporters of manufactured *goods.*

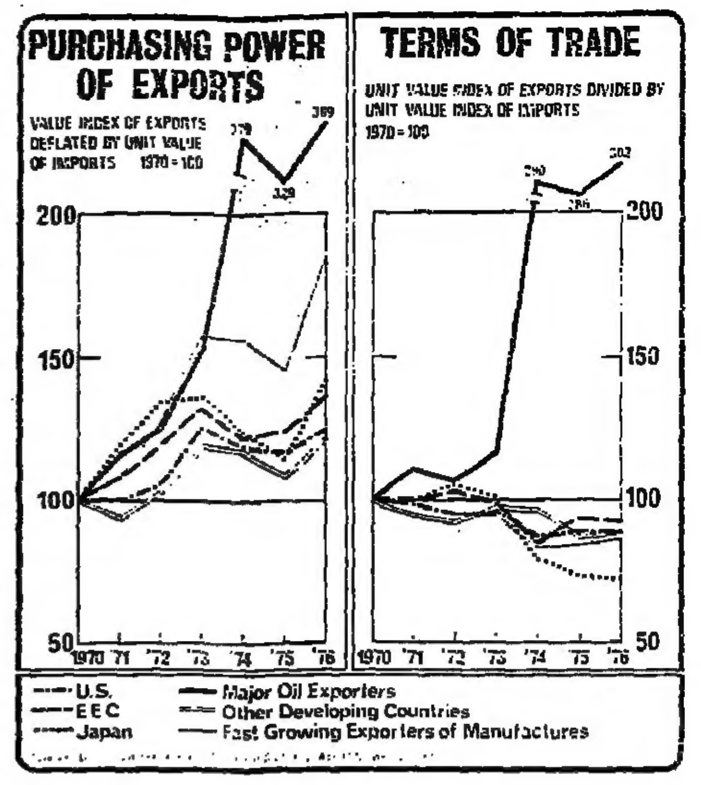
The terms of trade index relates the unit value of exports in dollar terms to the unit value of imports. A more revealing pointer as to which nations have successfully managed their trade accounts since the oil crisis emerges from the UNCTAD index that records the purchasing power of a nation's exports.

From this it emerges, not surprisingly, that the strongest performers since the oil crisis have been Japan and the fast growing exporters of manufactured products. The purchasing power of European exports has grown more than that of the U.S. The sharpest declines were recorded by the poorest countries—reflecting their inability to match the increase in oil prices and of imported Western machinery by a corresponding growth in their exports.

Thus, while the index has climbed 22 points in the 1970-76 period for all non-oil developing countries, it has registered a decline of 15 points for those with a per capita GNP in 1975 of under $300 and of 16 points as well for the 29 least developed nations.

The UNCTAD secretariat has been closely involved in the preparation of background statistical material for negotiations between industrialised and developing *nations over North/ South* issues. Some of the material has been criticised by western officials as too supportive of the views of developing nations.

Amongst other information included in the handbook are analyses of the financial flows to developing countries from OPEC and OECD members and tables on trade barriers and preferences facing developing countries in industrialised markets.



Using trade figures for 1974, UNCTAD shows that developing countries faced higher average tariff barriers in Japan than in either the U.S. or Europe. For Japan the average tariff barrier on all products amounted to 4.3 per cent as against 2.7 per cent *in the U.S. and 0.8 per cent in* Europe. For manufactured goods tariffs were highest in the U.S. at 8.8 per cent as against 5.7 per cent in Japan and 3.6 per cent in the EEC.

Handbook of International Trade and Development Statistics, Supplement 1977. UNCTAD Geneva and the United Nations New York, 1978.

Mediterranean partners in textile control talks

BY RHYS DAVID, TEXTILES CORRESPONDENT

THE EEC Commission has been asked *to begin a new round of* talks with four Mediterranean associates to tighten up *informal* understandings on textile imports, after British objections to a proposed new deal with Portugal.

At the Council of Ministers' meeting this week Britain is understood to have raised strongly its concern over a Commission proposal that would have allowed Portugal to increase its imports of two products—cotton yarn and synthetic cloth—both of which are among key textiles brought under strict control in *the recent GATT multi-fibre* arrangement (MFA).

Britain has insisted instead that any deal must be negotiated *as part of an overall strengthening* of the agreements with Greece, Spain, Portugal and Turkey to ensure proper observation of EEC limits.

The strong British line follows pressure from the industry and unions. Although there is sympathy with Portugal, whose economy depends heavily on textiles, the Commission's proposal would have resulted in a breach of the global ceilings on imports *laid down by the EEC for cotton* yarn and synthetic cloth.

Britain *has feared that concessions to Portugal would lead to similar demands from the other* associates, which because of their links with the EEC were not asked to sign formal MFA agreements, and that MFA signatories would also seek revised agreements. Britain is understood to have emphasised the importance it attaches to the global ceilings.

The Commission has the difficult task of going back to the associates and trying to add some authority to their understandings with the *EEC. In* several cases, however, the understandings are with the industry or with Chambers of *Commerce* and not with Governments.

If the Commission can offer better terms, incorporating tighter provisions for presentation to the next Council of Ministers meeting at the end of June, Britain, the main importer of Portuguese textiles, may be prepared to accept a modest improvement in the terms offered to Portugal.

Harland and Wolff near agreement with MAN

HARLAND AND WOLFF, the State-controlled Belfast shipyard, is nearing the completion of its negotiations with MAN, the West German marine engine builders based at Augsburg, for setting up a joint-venture company.

The deal will involve the manufacture of a medium-speed marine diesel engine. The final *signing of the agreement is not* expected until at least next week. MAN will make an announcement on Monday.

It is understood that the marine engine will be manufactured at Harland and Wolff's ailing engine works in Belfast, *where it will ensure the* continued employment of the workforce in the *medium term.*

Government Ministers in *Northern Ireland are pinning* their hopes for the future of the *engine works on a successful outcome* to the negotiations. The labour force there has fallen by 340 to the present 729 since March last year.

The decline in the shipbuilding orders for the yard and a concurrent drop in marine engine work has plagued Harland and Wolff since last year. Further redundancies are expected in the engine works within the next two months to bring the labour force down to a realistic level.

Adrian Dicks adds from Bonn: A West German consortium composed of Maschinenfabrik Augsburg — Nürnberg (MAN) and Siemens has won a DM 54m order for irrigation equipment from Nigeria. The German companies *will supply six pumping* stations, with a total of 37 pumps to the Chad Basin Region's irrigation system.

MAN capital spending, Page 27

Iran liquid gas doubts

BY ANDREW WHITLEY

TEHRAN, June 7.

IRAN'S ONLY *operating scheme* to export liquefied gas has come to a halt, following the decision to temporarily close Iranocean—a Franco-Iranian company transporting liquefied petroleum gas (LPG).

The world's largest LPG carrier, the 70,000 cubic metre Razi, launched in December, 1976, at a cost of $50m, is to be laid up in France. According to the English-language Kayhan International, plans to *sell* the Razi and liquidate Iranocean altogether have *been shelved* after shipowners refused to bid *for the vessel.*

Iran's ambitious plans to become a *major exporter of associated* and non-associated gas. *A three-year delay in setting up* the giant Iran/Japan petrochemical *complex in* southern Iran, which will produce LPG as a by-product, has combined with the fact that most of the country's associated gas is currently taken by the Western oil consortium operating here, under the terms of an outdated agreement with the National Iranian oil company.

The official reason for putting Iranocean on ice is, therefore, the lack of cargo at present. But *poor financial projections and* competing demands from the oil *secondary recovery programme* appear to have played a large part as well.

Iranocean—owned 50:50 by Gazocean of France and Iran's state owned National Petrochemical Company—was set up three years ago with high hopes, but it soon became clear that it was running into difficulties. No new orders were placed for LPG carriers and the Razi *itself is* reported to have made only one commercial *voyage—transporting* Saudi Arabian and Kuwaiti LPG.

Kayhan International reports the company as having debts to *French banks* totalling nearly $30m. Most hopes now appear to be pinned on the French Government agreeing to a moratorium on the loan for the construction of the Razi. The first repayment instalment is due shortly.

Call to adopt 'Afrodollar'

BY JOHN WORRALL

NAIROBI, June 7.

AFRICA SHOULD adopt its own *version of the* Eurodollar or the Asiadollar to avoid the infla*tionary* influences of the U.S. dollar and sterling, says Mr. T. A. Braithwaite of insurance brokers T. A. Braithwaite of *Lagos, Nigeria.*

Mr. Braithwaite, who is a *Nigerian, was addressing* the African Insurance Conference in Nairobi yesterday. He said, "We should insist that our reinsurance treaties are settled in this currency which would cross international boundaries without fluctuation, so that each market can stay with its own inflation."

Mr. Braithwaite pointed out that many people were offering assistance to African insurance men, but "the experience we are gaining from doing our own thing ourselves must be consolidated so that when we deal with the developed world and their large markets we should be sure we *are* obtaining as full an advantage as possible."

On *reinsurance,* Mr. Braithwaite said examination of the exchange *of reinsurances* between developed and developing *countries would show* a net outflow of premiums from the developing countries.

Optimism over Geneva

BY DAVID BELL

WASHINGTON, June 7.

THE BASIC *political* questions in the current round of Geneva trade talks will *probably* be resolved by the middle of next month, Mr. *Robert* Strauss, the U.S. President's chief trade negotiator, told reporters *today.*

But he added that the U.S. is still not happy with *the attitudes* of the EEC and some developing countries on *agriculture* and that Japanese agriculture was presenting difficulties over subsidies.

Mr. Strauss said: "On balance, we are pleased with where we are." He expected that an agreement would be presented to Congress in mid-January.

He said negotiators were making significant progress on subsidies and countervailing duties, but did not indicate what that would mean in practice.

Car industry fails to meet higher demand

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

MAY was another buoyant month for UK car sales, with Ford leading comfortably. Imports, however, rose from 42 per cent a year ago to 48.2 per cent.

The high imports figure shows that the British industry failed to capitalise on the general improvement in sales. The UK companies saw their combined sales drop from 71,600 units a year ago to *68,000*, though overall registrations rose from 123,500 to 131,000 units.

British Leyland's performance was disappointing again, with registrations declining from *32,000* cars *a year ago* to 29,000, though sales of the Rover and Jaguar lines improved.

Chrysler's registrations rose from 7,301 a year ago to 9,175, and Vauxhall's from 11,672 to 11,836, but 3,472 of these were imported Cavaliers brought in *from the group's associate plant* on the Continent.

Among the importers, the Japanese market share dropped slightly from 10.6 per cent in May 1977 to 10.4 per cent this *year*.

Their overall sales rose slightly, from 13,103 to 13,647. Toyota, Honda and Colt improved their registrations, while those of Mazda and Datsun fell back *slightly—Datsun's from 7,787 a* year ago to 7,554.

On the five-month figure, Japanese car sales are still well above last year's (83,300 against 55,000 a year ago) and the market share is well up (from 9.1 per cent to 11.3 per cent).

But the industry expects that shipments from Japan will continue to decline in the next few weeks following the agreement between the British and Japanese Governments on firm *limitations*.

The Ford Cortina continues to be Britain's most popular car, followed by the same company's Escort model. Ford sold 14,419 Cortinas last month, and 10,005 *Escorts, with the Morris Marina* coming third, with 5,955 registrations.

UK CAR REGISTRATIONS

	May				5 months ended May			
	1978	%	1977	%	1978	%	1977	%
Ford*	35,429	26.98	32,960	26.69	201,173	27.32	162,178	26.96
British Leyland*	28,983	22.07	31,986	25.90	173,840	23.61	149,983	24.93
Vauxhall*	11,836	9.01	11,672	9.45	59,893	8.13	57,484	9.56
Chrysler*	9,175	6.99	7,301	5.91	49,034	6.66	35,023	5.82
Total British	68,067	51.83	71,595	57.98	391,673	53.19	341,630	56.79
Datsun	7,554	5.75	7,757	6.29	49,631	6.74	32,894	5.47
VW/Audi	5,723	4.36	3,365	2.73	26,406	3.59	20,815	3.46
Fiat	5,670	4.32	3,924	3.18	30,892	4.20	27,250	4.53
Renault	4,757	3.62	5,452	4.42	31,707	4.31	26,565	4.42
Total imports†	63,264	48.17	51,891	42.02	344,656	46.81	259,924	43.21
Grand total	131,331	100.00	123,486	100.00	736,329	100.00	601,554	100.00

* Includes cars from companies' Continental associates which are not included in the total UK figure.
† Includes imports from all sources, including cars from Continental associates of UK companies.

TUC urges tougher line on EEC

BY MICHAEL CASSELL

THE TUC yesterday called on the Government to use the UK's position as a major energy producer as a bargaining counter in the formulation of EEC policies.

The call came at a meeting of the National Economic Development Council, which was largely devoted to examining energy policy. Trades union representatives stressed that Britain, because of its prominence as a primary energy producer, was in *a very strong position to* influence a wide range of decisions made by the EEC.

Although it was not specifically mentioned by them, the unions want changes in the Common *Agricultural Policy, for example*, and believe that this is one area in which the UK's "muscle power" could be employed.

But Mr. Anthony Wedgwood Benn, Energy Secretary, reminded them that the world had an excess capacity of fuel supplies and that the UK's ability to use its strong position as a bargaining point was fairly restricted.

Earlier, Mr. Benn had told the meeting that the UK's prospects for self-sufficiency in energy represented a "potential strength." Energy investment *was running at £3½bn a year, and* although the country still faced an energy problem, it was not a crisis and the situation should not be dramatised.

Energy policy options, Mr. Benn said, would be kept open as part of a flexible approach to the subject, a view welcomed by both trades union and management representatives at yesterday's meeting.

In response to concern about a steady flow of work for the energy-producing and related industry, Mr. Benn said that he intended to open 50 blocks a year for North Sea exploration, in line with previously stated policy to announce small and regular rounds to ensure a steady depletion of reserves.

Apart from discussing the Green Paper on energy policy published earlier this year, the council also examined a document drawn up by the National *Economic Development Office on* its implications for industry. The paper underlined the fact that the UK now has the highest energy consumption per dollar of gross domestic product of any country in the Western world. It said that while energy savings had, until now been confined to small, specific improvements, major and difficult decisions involving heavy capital expenditure now had to be made.

The council also discussed another paper on overseas investment. The TUC called for more case studies on the subject *and it seems likely that the Government* will sanction more investigations.

BP order is vital test for shipyard

BY IAN HARGREAVES

BRITISH Shipbuilders' recently proclaimed *policy of* diversification into work for the offshore oil industry faces a crucial test in the next few weeks over British Petroleum's decision on whether to place a £50m order *with the corporation.*

The battle for the order, for an emergency support vessel to serve in BP's Forties Field, has been narrowed from an initial seven yards to Scott Lithgow of *Port Glasgow, a British* Shipbuilders company, and Harland and Wolff, the Belfast group, also state-owned but not part of the corporation.

If Scott wins the order, some *of the steelwork will be done at* the nearby Govan yard.

Final prices for the contract will be quoted in the next few days. BP is expected to announce a decision by August.

Scott Lithgow is *pinning great* hopes on winning the order, needed to fill berth space to be made empty when the final section of a Niarchos supertanker is launched next spring.

The Clydeside company has assumed lead-yard status on offshore matters within British Shipbuilders because of its experience in building other types of oil exploration craft.

Scott Lithgow has never built a semi-submersible structure of the type being specified by BP, but it has some experience of platform design.

Emergency

To be able to build the emergency and maintenance vessel, Scott's main Kingston yard would have to be *strengthened* at a cost of £3m.

Harland and Wolff, on the other hand, could build the vessel using existing facilities and this may confer a slight price advantage on the Belfast yard.

Harland also has the advantage of having built one of the very few British-built semi-*submersibles, the Seaquest, more* than 10 years ago.

Delivery dates, also crucial to BP, are thought to be about three years for both builders.

Between 10 and 12 emergency support and maintenance vessels are expected to be ordered for the North Sea in the next few years. Shell is already talking to British yards about a similar *vessel. Scott Lithgow and* Harland are front runners for this order.

High costs bring Shelton steelmaking to an end

BY ROY HODSON

IRON AND steel-making will cease at the Shelton Works of British Steel Corporation, Stoke-on-Trent, on June 23, when the works annual holiday starts.

British Steel estimates that it will save £12m a year by stopping the high-cost production at the plant.

Angry words were exchanged at British Steel headquarters yesterday when the corporation explained its intentions to the TUC Steel Committee.

Union leaders accused the corporation of presenting the closure of the plant as a fait accompli.

All previous British Steel works closures in the last few months, part of a crash programme for the corporation to restore itself to financial viability, have been carried out after full agreement with the unions.

Mr. Bill Sirs, chairman of the TUC Steel Committee, and general secretary of the Iron and Steel Trades Confederation, left the meeting after an hour saying that there would be an early special meeting at the TUC to discuss Shelton.

Workers there lobbied the TUC representatives, and again pressed their case for the old steel-making plant to be replaced by a new electric-arc furnace.

After June 23 the 1,500 workers making iron and steel at Shelton will be employed on other work.

The shopfloor men will receive guaranteed weekly payments, including shift rates of more than 90 per cent of present earnings.

The 600 workers at Shelton rolling mill will not be affected. *BSC intends that this part of the* plant, which is modern, shall remain in production.

British Steel faces a wages bill of about £100,000 a week while the Shelton iron and steel workers are kept in employment after steel-making ceases there.

The corporation hopes that negotiations can be completed quickly with the unions to agree on compensation and redundancy payments, so that the plant *can be officially declared closed.*

Iron- and *steel-making* at Shelton is one casualty of the international steel recession. The works has suffered in particular from measures against steel imports into America.

The U.S. trigger-price defensive moves against imported steel have made it impossible for the *high-cost Shelton steel to* compete in that market.

The estimated saving of £12m a year by closing the plant is based on an annual production of 164,000 tons.

The Shelton Works Action Committee claims that its plant is profitable. Mr. Frank Holloway, managing director finance at British Steel, said last night *that Shelton lost money in each* of the last three years after its proper share of BSC overhead expenses, for sales forces and other services, had been taken into account.

Tory call to invest in coal

BY JOHN LLOYD

THE FAILURE of Common Market Energy Ministers to agree last week on a plan for subsidising coal was blamed yesterday on Mr. Anthony Wedgwood Benn, Secretary of State for Energy.

Speaking at a conference on coal, organised by the Conservative Party in Nottingham, Mr. Tom King, the Shadow Energy *spokesman, said* it was "yet another expensive consequence of the total lack of goodwill earned by the Secretary of State among our European partners."

He indicated partial agreement with Mr. Gerald Manners, reader in Geography at University College, London, who challenged the present rate of expansion in coal production. Mr. Manners argued that demand in the electricity industry — the NCB's biggest customer—would fall, leaving a total market in the mid-1980s of around 80m tonnes, 55m tonnes less than the NCB forecast.

● NEWS ANALYSIS—BARCLAY'S BRANCHES

The route to rationalisation

BY MICHAEL BLANDEN

THE DECISION by Barclays Bank to close some 130 branches and sub-branches and reorganise a further 480 follows a lengthy appraisal of the bank's network over a period of at least 18 *months*.

The result, after consultations with the bank's regional and local officers and with staff representatives, looks rather less drastic than appeared possible when the plans first emerged last November. The number of closures planned is relatively small in relation to the group's UK network of some 3,000 offices. It will be phased over a fairly long period of 12 years, and will be offset by the bank's normal programme of new branch openings, which, recently, has been running at 20 to 30 a year.

Nevertheless, the changes will involve around a fifth of the group's domestic network, and the decision is a further sign of the new thinking which is taking place in the banks about the proper structure of branches.

Branches are still the major source of the banks' deposit funds, essential to support their lending activities, and their main *point of contact with the public.* But a number of changes have taken place in the environment *in the past few years which have* brought increasing pressure on the banks. It has become clear that in the years immediately after the second world war and up to the early 1960s the branch *networks became overblown in* relation to present requirements.

Pressure

The situation began to change with the big banking mergers of the late 1960s and with the disclosure of true profits. The mergers, for those banks involved, *required quite extensive* rationalisation partly to sort out duplication.

Disclosure of true profits highlighted the importance to the banks of profitability rather than sheer size. Coupled with the rapid expansion of the services being offered by the banks to include activities such as instalment credit, leasing and advisory services, the changes brought growing pressure to make better use of capital investment.

The issue came to a head with the sharp inflationary pressure of the past few years. This *increased enormously the costs of* running the branches and particularly of providing the *basic* money transmission services which are the foundation of the banking business.

The effect of inflation has been to make the funds attracted through the branches look less and *less cheap*; the current account balances, though interest free, are reckoned to cost at least the equivalent of 7 to 8 per cent in overheads.

At the same time the increasing sophistication of large depositors and the banks' growing reliance on the wholesale money markets has meant that they pay full market interest *rates on a growing proportion of* their funds.

This increasing burden was tolerable as long as high interest rates enabled the banks to earn substantial profits from the endowment effect of the widening margin over the fixed-cost of current account funds. But the sharp drop in rates last year, as well as making life difficult in competing with the building societies, underlined the need for making more effective use of branches.

Among the banks, NatWest, because of its history, is probably *less immediately concerned* with the problem, while Lloyds never entered with quite the same enthusiasm into the race to be the biggest in terms of branch spread. Midland has already undertaken a number of experiments, which it intends to extend, with a form of satellite banking.

Modest

Barclays, which, like all banks, normally keeps its branches under regular review, has now been prompted to a more fundamental exercise. The number of closures is modest, and concentrated in those branches mainly in the suburbs which are loss making or marginal in terms of profitability.

Its other move involves building up a total of 190 larger branches to provide the more complex services required in the main industrial and commercial centres by the corporate customers, while downgrading another 290 to a more limited range of services, for personal customers mainly in the residential areas. The service, the bank plans, will be helped by its programme of installing Barclaybank dispensers outside strategic branches.

Britons feel tax bill is too high

Financial Times Reporter

MOST PEOPLE in Britain feel that they are too highly taxed, according to the June issue of Money Which? the consumer magazine.

But Britain ranks near the middle of the international tax league table.

Out of a survey of 1,500 people, Money Which? found that 68 per cent thought they were paying too much tax.

One reason may be that a growing proportion of taxes comes from income tax. This is more unpopular and more "painfully visible" than some other taxes, says the magazine, which calculates that 47 per cent of the UK tax yield comes from income tax—twice as much as in France and Italy.

Britain's high marginal tax rates also hit the very rich and the very poor far harder than elsewhere in the world.

Paying dearly

Many companies may pay too much for gas, electricity and telephone services, Mr. Graham Pusey, general manager of National Utility Service, claimed yesterday. He said reports of huge errors in commercial users' electricity bills were "the tip of the iceberg."

Lorry licence plea

New licensing regulations for the road haulage industry to protect road hauliers while maintaining customer choice, has been called for by the National Freight Corporation in evidence to the Foster Committee, which is investigating the licensing system.

Trailer sales

A 50 per cent rise in refrigerated articulated trailer sales over the next four years was forecast yesterday by Mr. John Peck sales director of York Trailer, when he launched the York Fridgemaster.

Nuclear leak puzzle

A year's intensive investigation by British Nuclear Fuels has failed to discover the source of the leak of radioactive water from a Windscale concrete silo containing the outercasings of spent atomic fuel elements.

Human checks 'vital to tanker safety'

BY PAUL TAYLOR

SOPHISTICATED TANKER navigation equipment, including automatic warning devices, represents a growing threat to tanker safety if it is used to replace rather than supplement human checks, a Commons committee was told yesterday.

The warning, delivered to MPs investigating tanker safety, came from Captain Ralf Maybourn, operational manager for British Petroleum tankers and president-elect of the Royal Institute of Navigation.

Captain Maybourn said technology should be used "intelligently" but warned against assuming that technology could "supersede competent manpower." Navigation equipment should be used as it was designed, as an aid to navigation, and not a substitute for effective manning, he said.

The Royal Institute of Navigation also told the committee that it is concerned with a decline in manning standards on vessels. Captain A. N. Cockroft, a senior navigation lecturer, said he was "very concerned" about the standards of manning on supertankers.

He blamed the worsening situation on automation and a lack of skilled personnel. International safety organisations recommend that there should be at least one seaman and one navigation officer on watch at all times.

But Captain Cockroft said he knew of two accidents in the Gulf when there had been one or even no crew members on watch during the "vital minutes before the incident."

The Commons committee also heard evidence from Rear Admiral David Haslam, Hydrographer of the Royal Navy. He told the MPs that in 1974 only 24 per cent of British coastal waters had been surveyed to modern standards, but this figure had now been increased to 28 per cent. He warned that it would be 72 years, at present survey rates, before the job was finished.

He blamed the delay in updating charts, many of which date from 1900, on poor weather last year, and the fact that new side-scan sonar equipment is so effective that more wrecks have been discovered and these take time to examine and chart.

Rear Admiral Haslam said he still had too few ships, and trained personnel.

Mr. Colin Humphreys, assistant under secretary of Naval staff at the Ministry of Defence, told the committee that the annual running costs of the survey fleet were £10.5m and that it would probably cost £50m and take up to three years to bring the fleet up to its required strength.

● The annual report of the Hydrographer's division is due to be published this week.

Surplus cut to £173m

THE COMBINED surplus on the UK current and capital accounts narrowed sharply during the first three months of this year to £173m, compared with a quarterly average of £1.8bn during 1977. This reflected adverse movements on both accounts.

The first-quarter figures, published by the Central Statistical Office yesterday, also include revisions to the earlier monthly estimates of the current account with a £54m larger visible deficit and a £31m smaller invisible surplus.

The result is a first-quarter current account deficit of £305m, rather than £220m, as first estimated.

However, there have been favourable revisions to earlier figures and the current account last year now turns out to have been in surplus by £165m, rather than by £35m in deficit.

BALANCE OF PAYMENTS

£m	1976	1977	1977 3rd qtr.	1977 4th qtr.	1978 1st qtr.
			Seasonally adjusted		
Current account					
Visible balance	−3,510	−1,612	+ 54	+ 45	−574
Invisible balance	+2,651	−1,777	+ 483	+ 441	+269
CURRENT BALANCE	− 859	+ 165	+ 537	+ 486	−305
			Not seasonally adjusted		
Current balance	− 859	+ 165	+ 531	+ 508	−416
Investment and other capital transactions	−3,129	+4,357	+1,103	+1,255	+ 33
Balancing item	+ 360	+2,839	+ 974	+ 169	+556
BALANCE FOR OFFICIAL FINANCING	−3,628	+7,361	+2,608	+1,932	+173
Official financing					
Net transactions with: IMF	+1,018	+1,113	+ 214	—	—
Other monetary authorities	− 34	—	—	—	—
Foreign currency borrowing by HM Government*	—	+ 871	+ 287	—	—
by public sector under exchange cover scheme	+1,791	+ 243	+ 118	+ 74	−219
Official reserves (drawings on, +; additions to, −)	+ 853	−9,588	−3,227	−2,006	+46

*Drawings on $1.5bn Eurodollar facility by Government.

Source: Central Statistical Office

Monetary controls 'unreliable'

BY DAVID FREUD

MONEY supply targets are an inadequate measure, in themselves, of the UK's financial stability and the range of controls possessed by the authorities are insufficient to achieve them, says Phillips and Drew, City brokers.

A responsible monetary policy should not be aimed solely at achieving a growth target in a financial statistic, but towards stabilising financial conditions.

The firm argues that authorities have no means of exercising any degree of precise control over domestic credit expansion (DCE) or the growth in sterling M3.

Both measures depend on the volume of purchases of public sector debt by non-bank private investors.

The practical difficulties of regulating these purchases "have clearly been so great as to make this weapon of monetary control highly unreliable."

The firm says that to gain control of M3 and DCE the authorities would have to reform the financial system extensively, possibly introducing a tender system of selling gilt-edged

Petrol price fears allayed

By Elinor Goodman,
Consumer Affairs Correspondent

MR. ROY HATTERSLEY, the Prices Secretary, has apparently accepted oil company arguments that the recent reduction in dealer support would have only very small impact on the price of petrol.

After his meetings with oil company leaders yesterday, the two sides seemed to have agreed that the whole issue has been blown out of proportion.

The recent changes in the amount of money which the oil companies give to garages under competitive pressure, were little more than routine.

Mr. Hattersley had asked to see the oil companies after reports that last week's reduction in dealer support would cause price rises of 2p more a gallon. Yesterday he saw Esso and BP and today he will be seeing Shell.

Yesterday Esso produced figures showing that in a normal month they made several hundred changes to the amount of money given to individual garages facing tough local competition.

It is this money which enables petrol stations to cut their prices. Both companies argued that it was standard practice to alter this amount, depending on the local competitive situation.

First order for new platform company

By Kevin Done

REDPATH De Groot Caledonian, the newly-formed oil platform construction group, has won its first order since taking over the Redpath Dorman Long yard at Methil, Fife.

It has been awarded the £2m contract to build a wellhead platform for Shell/Esso's North Sea Fulmar Field. There was strong competition from yards in the UK, Holland and France.

Mr. Jaap Spoelstra, chief executive of RGC, said the platform should provide continuity of work for the 650 employees at the yard until the end of 1978.

Building output drops by 3% in first quarter

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE VALUE of construction output in the first three months of this year fell by 3 per cent from the level in the previous quarter, said official statistics yesterday.

The Department of the Environment stated that value of contracts carried out in the January - March period, in constant price terms, was up 4 per cent on the same period a year ago.

Contractors carried out work worth £3.45bn in the first three months of 1978 against a current price total for the previous quarter of £3.525bn and of £3.09bn in the first three months of 1977.

New work output in the public housing sector in the first quarter of this year was 9 per cent lower than in the preceding three months and down 7 per cent on a year earlier. New private housing was down 3 per cent on the previous three months but showed a 10 per cent rise on January-March 1977.

The Department estimate that construction in the public sector, excluding housing, showed a 9 per cent fall from the last quarter of 1977 and of 6 per cent from the same period a year ago.

New private industrial output was 11 per cent lower in January-March 1978 than in the preceding quarter and 2 per cent down on a year earlier. New private commercial output was down by 5 per cent on the previous quarter but up 5 per cent on January-March 1977.

The value of repair and maintenance work in the housing sector carried out by contractors was up 4 per cent in the first quarter when compared with the previous three months and 18 per cent better than a year before.

The provisional estimate of the number of employees in work in April in the industry showed no change on January. It was 4 per cent higher than a year before.

Jobs release applicants 'have doubled'

THE NUMBER of people taking up the job release scheme had more than doubled since it was extended throughout the country, Mr. John Golding, Parliamentary Under-Secretary of State, Employment, said yesterday.

Latest figures showed that 26,347 people had taken advantage of the scheme, Mr. Golding told Mr. Max Madden, Labour MP for Sowerby.

Hambro in £18m property deal

By John Brennan,
Property Correspondent

AN £18.8m sale of 20 properties to the Hambro Property Funds takes Town and City Properties' total sales in the past four years over the £310m mark.

The £150m Hambro Property Funds have bought the Remington House offices at Holborn Viaduct, Princes House and Princes Arcade in Piccadilly, the Worksop shopping centre and a number of smaller office and industrial properties from T and C's subsidiary Central and District Properties.

The funds acquired one of the most highly reversionary properties on a yield of less than 1 per cent. But the average equated yield on the purchase is more than 6 per cent, and a number of the properties are due for substantial rent reviews in the next few years.

Hambro, which yesterday reported a 7.8 per cent average net annual increase in unit prices since its creation in 1971, also revealed a £10m industrial property development programme involving 500,000 sq ft of space, 330,000 sq ft of which is pre-let.

Bingham fetches record price

SALEROOM

BY JOHN FALDING

A WORLD record price for an American painting, $980,000 (£535,520), was paid for George Caleb Bingham's The Jolly Flatboatmen, No. 2, at Sotheby's, Los Angeles, on Tuesday.

Th previous highest was the £180,000 paid in London in June, 1976, for James Peale's Washington and the Generals at Yorktown.

The Jolly Flatboatmen No. 2, painted about 1848, is one of three of the same subject produced by Bingham, arguably the greatest of the Frontier artists.

Bidding lasted five minutes and the painting was sold by telephone to Hirschel and Adler Galleries, New York.

At Sotheby's, London, yesterday, a sale of modern British drawings, paintings and sculpture totalled £247,890. The top price was £20,000 for Philip Wilson Steer's The Ermine Sea, sold to the Fox Gallery, London. The price was a world auction record for the artist and £5,000 above estimate.

Boulogne Sands by the same artist went for £13,500 to Browse and Darby, London. Sickert's L'Ennui was sold for £13,000, and Montague Dawson's Sunrise at Sea for £6,000 to MacMillan's of Canada, below the estimate of £8,000-£12,000.

There was disappointment that Dame Barbara Hepworth's Trophy Flight, a polished bronze on a wooden base, failed to reach its reserve. A price between £7,000 and £9,000 had been expected.

Three oils by Rafael Duran Camps far exceeded estimates in the £40 to £60 range at Bonham's, Knightsbridge. A view of a Mediterranean fishing port fetched £400, and two still lifes went for £360 and £440 respectively. Top price of £1,100 was paid for Edward Seago's watercolour Autumn on the Upper Thames.

An extremely rare Saxon wheelock superimposed load gun (1680) was sold for £11,000 at Christie's sale of antique arms and armour which totalled £107,765.

Ulster research plant for Goodyear

By Our Belfast Correspondent

THE Goodyear Tyre and Rubber Company is to establish a £3m. research and development centre at its plant in Ulster.

The centre, which will be grant-aided by the Northern Ireland Department of Commerce under a scheme introduced last August to encourage technological research, is expected to become operational next year.

Mr. Westi Hansen, chairman and managing director of Goodyear in Britain, said in Belfast yesterday that work would begin later this year on the new 54,000 square foot facility. Goodyear's present 50-strong research team at Craigavon, 30 miles from Belfast, would be doubled as a result.

The centre will form part of the company's world-wide research and development organisation. Research will concentrate on conveyor belting, power transmission belting, hose and package film.

Mr. Hansen said: "The centre will greatly expand the company's capacity to develop new industrial and film products for international markets which Goodyear predicts will more than double in the next decade."

The expansion would ensure "a bright future" for the Ulster plant by providing the technology which would help the products manufactured there to remain competitive.

The announcement is a considerable boost for Goodyear in Ulster. It is at present reducing its 1,700-strong labour force by up to 200 because of declining markets.

Mr. Don Concannon, the Minister of State responsible for industrial affairs, said the announcement was "an outstanding gesture of confidence in Northern Ireland." The Department of Commerce expected to conclude research agreements with at least 12 other companies.

Lakes project 'disastrous'

THE NATIONAL TRUST yesterday hit out at the North-West Water Authority's proposals for raising the level of Ennerdale in the Lake District by four feet to supply water to West Cumbria.

The move would be visually "disastrous" and that the £500,000 the water authority proposed to spend on landscaping "would do little to ameliorate the effect," it said.

Power supply chiefs oppose Benn plans

BY ROY HODSON

THE power generation and electrical equipment industry yesterday spoke out against the proposed reshaping of the electricity supply industry in England and Wales as outlined in a recent Government White Paper.

The all-party Commons Select Committee on nationalised industries which is considering the future of the electricity supply industry heard Mr. J. D. Johnson, chairman of the British Electrical and Allied Manufacturers' Association (BEAMA), say that his member companies were unanimous in preferring the present management system to the proposals put forward by Mr. Anthony Wedgwood Benn, the Energy Secretary.

The manufacturers are alarmed about the powers Mr. Benn proposes to give to himself and future Energy Secretaries to direct the management of the electricity supply industry on key questions.

Mr. A. K. Edwards, chief executive of BEAMA, said the use of such powers by ministers could lead to capricious changes being wrought in the industry. Companies felt the Benn recommendations would cause instability in the industry which would have an adverse affect upon the companies supplying generating equipment, heavy power equipment, and electricity-using equipment including household appliances.

Although the manufacturers are against ministerial powers of direction for the electricity supply industry, they agree that there is a need for a strong central body to manage electricity supply and that it should be on the lines of the central electricity corporation proposed in the White Paper.

The need was for a procurement plan to be provided by the top management of the central electricity undertaking so that the manufacturing industry could plan ahead.

The manufacturers are also objecting to the White Paper proposal that the new corporation should have powers to manufacture power plant and appliances. Such manufacturing powers invested in a state industry, said Mr. Johnson, would cause a fragmentation of the electrical industry. It would weaken the export capabilities of the British companies which were exporting directly at a rate of £3bn a year, and indirectly at a rate of £5bn a year.

Any manufacturing involvement by a centralised electricity body would be disruptive to the British industry, the committee was told.

New council planned to advise on future airport needs

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A NEW Airports Policy Advisory Council is expected to be set up soon to discuss and agree on future long-term airport strategy in the UK for the late 1980s and 1990s.

The council is expected to include representatives of the British Airports Authority, tourist and travel trade organisation, interested local authorities, and Government Departments. It might be able to begin work this month.

Mr. Norman Payne, chairman of the British Airports Authority, told the resumed public planning inquiry into the proposed fourth passenger terminal at Heathrow yesterday that, looking beyond the fourth terminal, longer-term solutions would be needed to ensure adequate facilities for London and the South-East in the late 1980s.

The White Paper on Airports Policy, published earlier this year, had stressed that, after developing a fourth Heathrow terminal and perhaps developing Gatwick to take 25m passengers a year, there were three options. These were: a major expansion of Stansted, development of a military airfield, or construction of a new airport.

Considering the time it would take to decide on these matters and implement them, the studies should begin without delay.

This would be the task of the new advisory council, first suggested by the Airports Authority last year.

"I am pleased to see the Government has responded to this call for speedy action, and consultation between various bodies is now taking place with the likelihood that the council will begin its work in June," Mr. Payne added.

Outlining the Airports Authority's case for Terminal Four at Heathrow, he said that it would provide capacity for another 8m passengers a year, bringing Heathrow's capacity to 38m.

Inquiries

But, as already reported, further developments at Gatwick to boost its capacity from 16m passengers a year to 25m, and to increase Stansted from the present 300,000 to 4m passengers a year, are likely to be blocked while local authorities seek public planning inquiries into them.

As no other additional terminal capacity could be available in the South-East before 1986, the need for Terminal Four at Heathrow became even greater.

Commission to look at Belvoir plan

By Paul Taylor

THE PUBLIC controversy over National Coal Board expansion plans, particularly in the Vale of Belvoir, Leicestershire, is likely to be one of the first issues given an airing in the recently formed Commission on Energy and the Environment.

The Commission was set up in March to bridge the conflict between energy policy and the environmentalists over issues like Belvoir and Windscale.

Yesterday it held its first meeting at which Mr. Peter Shore, Secretary of State for the Environment said its objectives would be to "advise on the interaction between energy policy and the environment."

After the meeting Sir Brian Flowers, chairman of the Commission, said it would look at the "longer term environmental implications of future coal production," including conversion to other fuels.

Building takeover plan attacked

By Michael Cassell, Building Correspondent

PLANS FOR nationalising parts of the construction sector represent "a massive intrusion of public ownership, intervention and control" at all levels of the industry, Sir Maurice Laing, chairman of John Laing and Son, claimed in London yesterday.

Sir Maurice, chairman of the Campaign Against Building Industry Nationalisation (CABIN), told a builders' conference that the industry was seriously threatened by Labour Party politicies.

Despite attempts by politicians to play down the effects of proposals placed before the party's last annual conference, they would fundamentally alter the existing structure of the construction industry and its associated trades and professions, he claimed.

If the Labour Party had its way, there would be outright nationalisation of the larger construction companies, expansion of inefficient direct labour departments and the creation of workers' co-operatives to take over other sectors of the market.
try Nationalisation (CABIN).

"Clearly the expansion of a protected public sector on this scale could only be achieved at the expense of existing independent companies.

"Any companies not immediately caught up by the public ownership proposals would be anything but independent.

"They would be required to register with one government board, draw their employees from a second, negotiate their jobs with a third, carry them out under contract conditions laid down by a fourth, and obtain their materials from an almost totally nationalised materials sector."

Companies who remained "independent" would find themselves struggling in a situation where they were confronted by day-to-day Government control and interference.

Eventually, all the public sector work available would be taken away from them and given to the State-controlled companies.

"It is impossible to avoid the conclusion that this is yet another move in the continuing attempt of a determined minority eventually to make this country a fully controlled society."

The anti-nationalisation campaign gets under way next week and the combined efforts of the construction industry will be applied to telling the public how the proposals for State control would affect them.

HOME CONTRACTS

Housing in Scotland

WIGHT CONSTRUCTION, Falkirk, has won contracts totalling over £4m. Contracts for housing have been awarded by the Scottish Special Housing Association for 48 houses at Bo'ness town centre valued at £700,000, and Irvine Development Corporation for 243 houses at Girdle Toll, worth nearly £3m. The company is also to build a community centre for Motherwell District Council (£165,000) and will demolish redundant jetty monoliths at Grangemouth Docks for the Forth Ports Authority (£210,000).

*

Thomson Regional Newspapers has placed an order with INTERNATIONAL COMPUTERS for data entry equipment and application programs to streamline the advertisement and circulation accounting work at five of its regional publishing centres. Total value, including programming by ICL Dataskil, is about £200,000.

*

MASSON SCOTT THRISSELL ENGINEERING, the paper finishing equipment subsidiary of Molins, has £600,000 of orders for machinery from five U.K. paper and board companies. This includes a further order for MST's latest design, the Autotorque winder, from the East Lancashire Paper Company. It is used for rewinding reels of paper from a paper-making machine and can wind up to 2,000 metres/minute (about 70 mph).

*

The United States Air Force has awarded an £86,000 contract to BRITISH OXYGEN for the supply of aviation oxygen to six installations in the U.K. until May 30 next year.

*

SOFTWARE ARCHITECTS has been awarded a contract worth over £60,000 by Perkin-Elmer/Data Systems to develop and implement a complete on-line trading, accountancy and management information system for London metal merchants, Brandeis Goldschmidt.

*

Stone and Webster Engineering is installing a computer costing £260,000, supplied by HARRIS SYSTEMS, Slough. There will be 10 visual display units with full editing and local screen storage, and the system will provide interactive terminal processing, batch processing, and remote batch processing, all concurrently.

It will also be possible to link it to Stone and Webster's Boston, Mass., computer centre.

*

Seven shipsets of hydraulic control and position indication equipment for ballast and bilge valves comprise an order from Swan Hunter Shipbuilders (on behalf of Govan Shipbuilders and Smiths Dock Company) received by HYDRAULICS AND PNEUMATICS, Wolverhampton, a Turner Manufacturing Group company. Valued at over £280,000, the sets are for seven 16,500 dwt bulk carriers being built for the Polish Steamship Company.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MATERIALS

Keeps heat from leaking away

STUDIES of the insulation performance of rigid carbon and graphite felts carried out earlier this year on high temperature vacuum furnace and inert gas furnace installations have shown that these materials have properties in several instances much superior to metallic shields, such as those made of molybdenum.

Insulation of the carbon type is custom-made in plain plate, curved plate and tube form. Thicknesses run from 10 to 50mm and the material is self-supporting and easy to clean.

Uniform bulk density is 0.13 gram per cubic centimetre with a special grade at 0.16 gram.

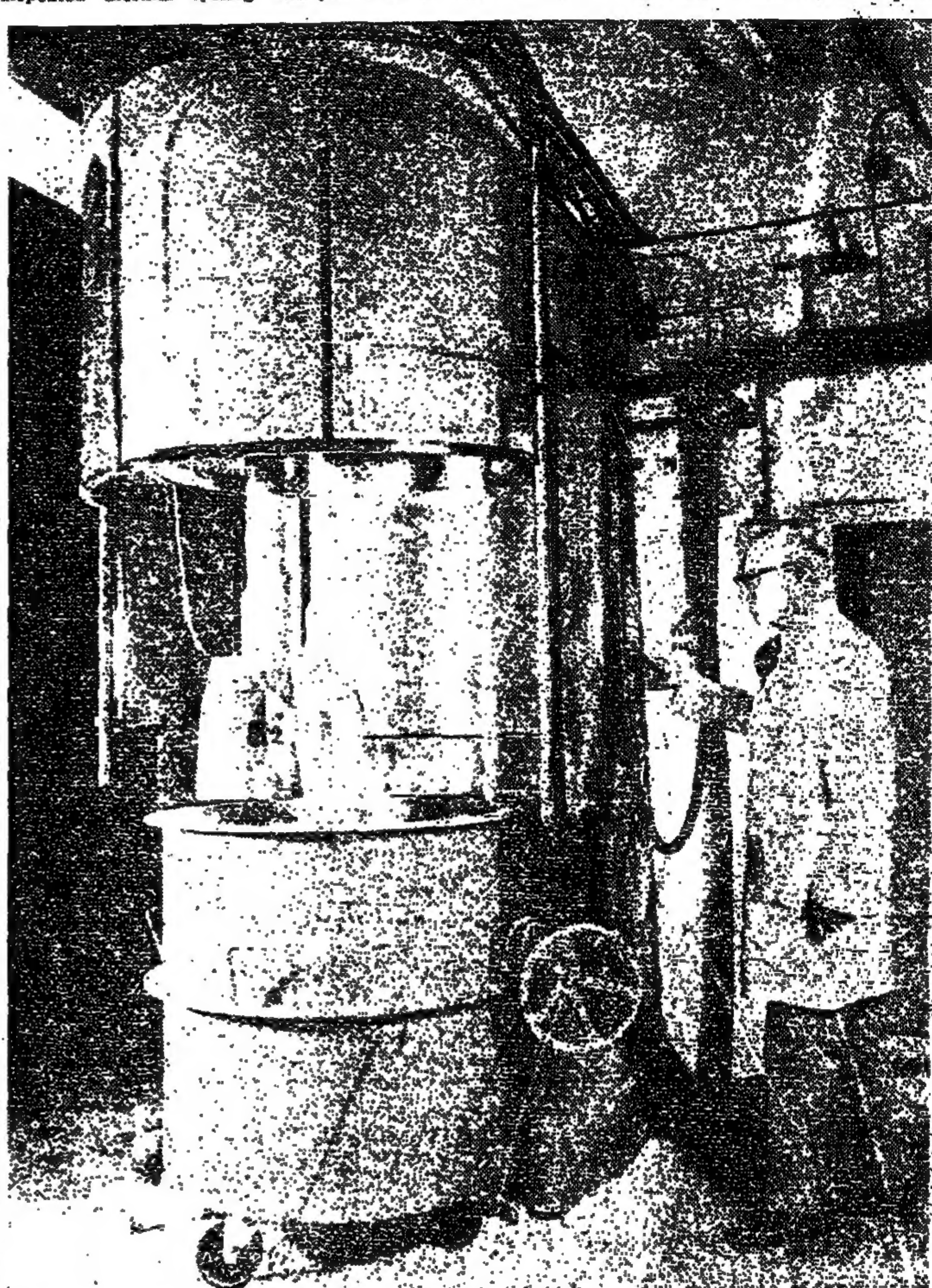
This felting material has no tendency to scatter during gas evacuation or its release into the furnace even at high rates. Repeated thermal cycling will not crack the felt material which is free from other forms of degradation due to heat shock.

Albright and Wilson, which is the supplier, says that costs compared with molybdenum are considerably less and that the thickness of rigid felt required to achieve satisfactory insulation can frequently be smaller than with other insulating materials.

Cost savings of up to 75 per cent in electric power use have been achieved by some users of the felts.

Apart from the rigid materials, flexible carbon and graphite insulation felts are available as are graphite and carbon papers with interesting properties in the energy saving area.

Further details from Albright and Wilson, 1 Knightsbridge Green, London SW1X 7QD. Telephone 01-589 6393.



This mixing machine is among new plant installed by Lloyds Industries of New Addington, Surrey, for the production of vehicle body fillers and household repair products. The machine was built by Beken Engineering of Ripple Road, Barking, Essex (01-592 2227) and is designed to handle batches of 800 lb. The products are mixed under vacuum in the machine to minimise entrainment of air which could lead to pin holes after the materials had been applied and rubbed down. Mixing action is derived from two intermeshing rotors, the configuration of which and small difference in speed create the required kneading of the materials to produce a smooth mix.

● METALWORKING

Heavy cuts kept cool

COMBINING THE performance of a high quality synthetic base including extreme pressure agents and the cooling properties of soluble synthetic fluids, a synthetic soluble cutting fluid has been shown in independent tests to have a performance considerably better than high extreme pressure soluble oils and four times superior to that of ordinary soluble oils.

Ultracut-S can be used for many metal cutting operations, such as tapping, drilling, milling, turning and boring. It also performs well on grinding and in many applications can replace neat cutting mineral oils. Since it is a clear fluid, it gives a good view of tool and workpiece, and is particularly useful for close tolerance grinding operations. Anti-wear additives have been incorporated into the formulation to reduce friction, increase tool life, enable heavier cuts to be taken and improve surface finish.

During extensive tests, using Ultracut-S on the turning of Nimonic bolts at 130 rpm, with a 0.011 inch feed on a Dean Smith and Grace lathe, a considerable increase in tool life was experienced. Previously, using various types of soluble oil, all eight sides of the throw-away cutters had to be used to produce one bolt with a two-foot thread length. When Ultracut-S was tested at a dilution of 1:40, it was found that each edge of the cutter could produce two complete bolts, giving a production rate of 16 bolts per tool. The cost of tooling was therefore reduced from £2.50 to 15p per bolt.

Rocol, Swithington, Leeds LS26 8BS. 0532 862 261.

Saturn power extended

BIGGEST co-ordinate measuring machine developed and built by Ferranti—the Saturn—has had its capabilities very considerably extended.

Its measuring range has been raised to 5,000 x 2,000 x 1,500 mm from 2,000 x 1,250 x 1,000 mm originally. The primary design was a three-axis machine with axis accuracies of ± 0.03 mm, improved later to ± 0.02.

Fourth and fifth rotational axes are optional and resolution is 0.002 mm or a tenth of a thou.

The measuring machine uses electronic probes to provide optimum speed and repeatability. All axes are power-driven.

All processing packages provided by the company are available on Saturn, either for application through a calculator or through a computer.

Saturn can thus be operated in many modes from step by step manual to fully automated five-axis control.

Ferranti, Industrial Products Department, Thornybank Trading Estate, Dalkeith, Midlothian EH22 2NG. 031-663 2821.

● COMPONENTS

Lighting in dark places

FIRST COMMERCIAL application for ribbon woven from Du Pont's "Crofon" optical fibre is in the Federal German automotive industry. The ribbon illuminates part of the dashboard display of a small car made by a major manufacturer.

The lighting system for the heater-ventilator panel was made by Kromberg and Schubert Kabelwerke, the first European company to be equipped to fabricate components and systems using the ribbon.

"Crofon" optical fibres are made with a core of transparent polymethyl methaerylate (PMM) which is surrounded by a sheath of another plastic of lower refractive index. Due to total internal reflection, light which impinges on one end of such a fibre travels inside it, around bends and even through knots, to emerge as "useful light" at the other end.

Such fibres can be woven into tough, flexible ribbons. To give the ribbon added tensile strength, the "Crofon" fibres alternate with synthetic yarns in the warp; the cross-thread, or weft, is a synthetic yarn. These ribbons can be bent, folded, twisted and knotted and can conduct a broad, flat beam of light into "inaccessible" locations.

Light can be made to "leak" from selected areas along the length of the ribbon by a process which intentionally damages the outer plastic sheaths of the individual fibres, but leaves the cores intact.

The amount of light from "glow areas" created by this process could be expected to decrease along the length of the ribbon as the distance from the light source increases. The process is therefore programmed to compensate for this phenomenon, so that the light output per unit of surface is about the same along the whole length of ribbon.

The ribbon with the "glow areas" is embedded in a shallow plastic channel lined with reflective material, to increase the intensity of the emerging light.

Du Pont, 18 Breams Buildings, Fetter Lane, London EC4A 7HT. 01-242 9044.

● COMPUTERS

Moves in printer market

AN AGREEMENT whereby Facit Data Products, the international computer peripheral division of Facit, has acquired a 36 per cent share in Dataroyal, the U.S. manufacturer of matrix printers, means that Facit will be sole representative in Europe for Dataroyal's IPS 7000 series which will be designated the Facit 4530 range.

The range will be available in three models all of which operate at 160 characters per second, print in variable sizes, feature user available processing power and incorporate a keyboard display station.

More on 01-437 6288.

More punch from micros

THE MARCH of the micros continues unchecked with Intel formally launching its 16-bit machine under the label "8086" and Data General offering a single board 16-bit MBC/1 product with minicomputer capabilities.

For the 8086, Intel claims a tenfold increase in performance but has taken care that development tools for previous machines are not obsoleted. The same applies to other software evolved for the 8080A and the 8085 micros.

Intel's own manufacturing technique has permitted the 29,000 transistor processor to be contained within a chip only 225 mils square, which is expected to lead to low costs as production experience grows. Internal operation rates can be as fast as 125 nanoseconds, which means the new units will calculate between seven and 12 times faster than a system based on an 8080A. And since there is an enhanced instruction set, programs will be 10 to 25 per cent shorter.

Intel on 0865 771431.

Data General's new board includes a Micronova computer, static random access memory, provision for up to 4 kbytes of read only memory, a 32-line digital input/output port and a communications interface. All this is on a board measuring 7½ x 9½ inches.

The company offers the unit for application in data entry source units, where its power can be used to take the load off a central machine; point-of-sale use; inventory control systems; meteorological and air pollution monitoring and general control purposes, among others.

Further on 01-578 9231.

Networks in quick time

COMPETITION IS heating up in the distributed system network market which Arthur D. Little predicts will reach $5bn in 1983. A newly completed impact services study assesses this major computer development area, whose main competitors cut across the traditional participants in the U.S. computer industry to include remote computing service firms, terminal systems suppliers, and communications common carriers as well.

Norman S. Zimbel, the Arthur D. Little data processing industry expert who directed the impact study, predicts that distributed system networks will have a significant long-term impact on the effective use of data processing.

Advances in technology have accelerated evolution of distributed system products, Mr. Zimbel points out, by substantially improving cost-benefit ratios and enhancing the capability of distributed networks over a broad price range. The decline in hardware costs has brought about the gradual evolution of "fail soft" or redundant systems which meet the user's need for dependability and very high availability.

Chief among the market forces are the users themselves. Technological advances will continue to appear with even greater frequency and to make possible system network capabilities which were either too expensive or totally impossible a few years ago. According to the Arthur D. Little study, however, many users will face difficult decisions regarding the purchase of newer equipment because they have substantial investment in software and in-place networks.

The role of new participants—suppliers of terminal systems, value-added networks, and remote computing services—is another critical issue in the distributed system network market. For example, the planned start-up of satellite-based communications services such as that proposed by the Satellite Business Systems Corporation (SBS) will have a major impact on the economics of distributed networks. The Arthur D. Little study also points out that SBS has the potential for changing the way the networks are used because it would make a broadcast-type message possible.

The study indicates that the lack of a single standard for network protocols, and the evolving role of service vendors are additional forces influencing the direction of the distributed processing network marketplace. Mr. Zimbel concludes that the incompatibility of network protocols might create an opportunity for common carriers to take a significant portion of the market.

More from ADL, 25 Acorn Park, Cambridge, Mass, 02140, U.S.

● PACKAGING

Root balls wrapped in plastic net

A MACHINE has been developed by a Dutch company for packing the root balls of trees, shrubs, roses and other plants in elastic net.

Only one person is required to operate the machine which can pack between 150 and 250 items per hour, depending on the type of plant, shape of the roots and type of soil.

The machine is supplied for a range of root ball diameters—from 12 to 18 cm, 18 to 23 cm and 24 to 30 cm.

More information from Amtac BV, Veerdijk 57, Wormer, Holland.

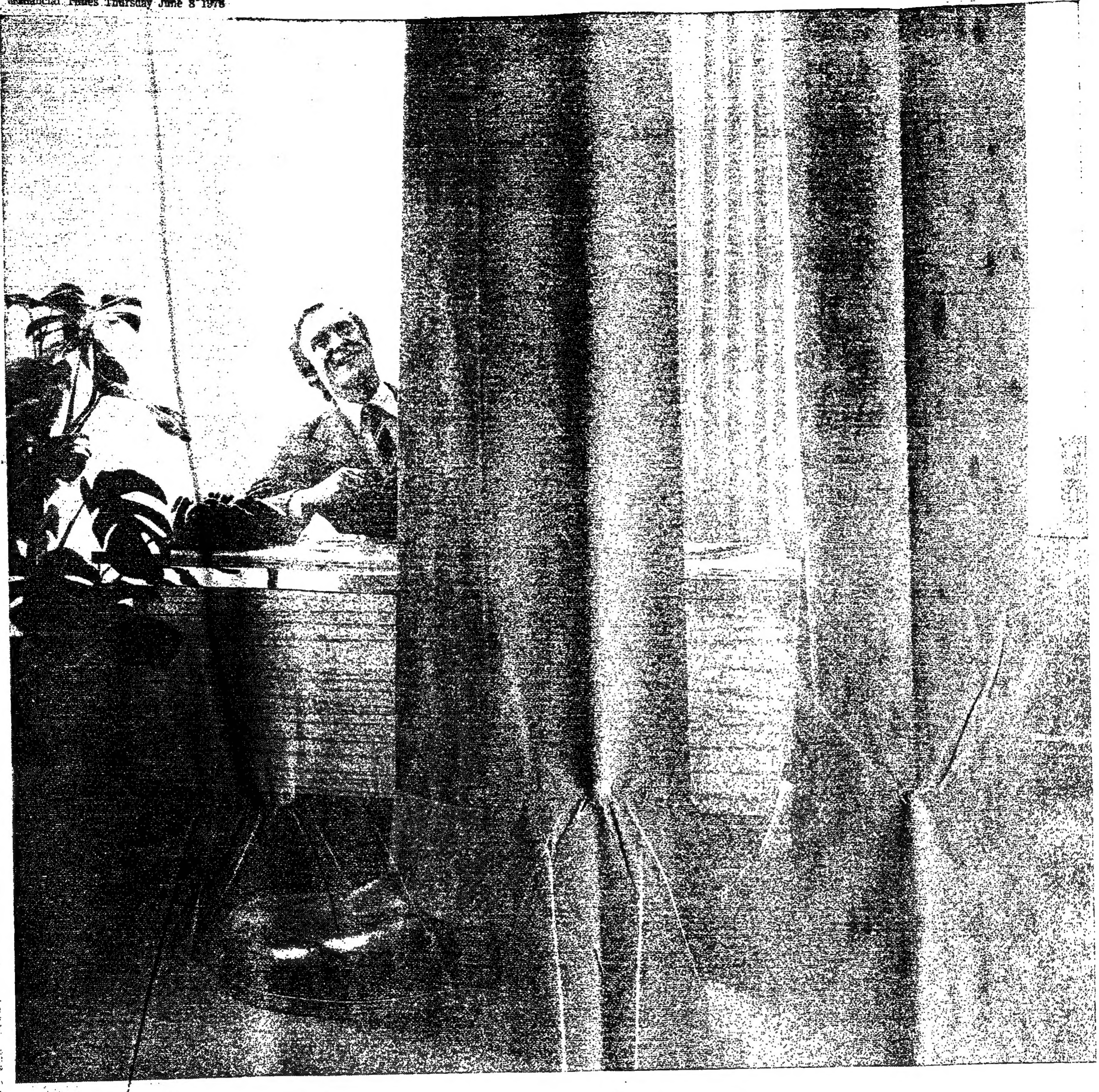
Choice of battery links

RELIABILITY, SAFETY and high performance are promised in a range of battery connectors from Cableform of Romiley, Stockport, who specialises in the design and manufacture of electric vehicle control systems and components for the electric traction industry.

Called the 2300, the battery connectors are said to be built to the latest European FEM standards. The casings are single piece mouldings made of high strength material which is acid and fire-resistant. The voltage coding should ensure that only the correct system to battery combination can be connected, and the appropriate voltage is numerically displayed. All live parts are protected against accidental contact with a person or the introduction of foreign bodies.

There is a choice of two models with main contact ratings of 160 or 320 amperes and up to two auxiliary contacts rated at 20 amperes.

More on 061-430 2245.



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Seeing your business grow bigger gives your NatWest bank manager a lot of personal satisfaction.

It's one of the ways he can see the results of his knowledge, training and skill.

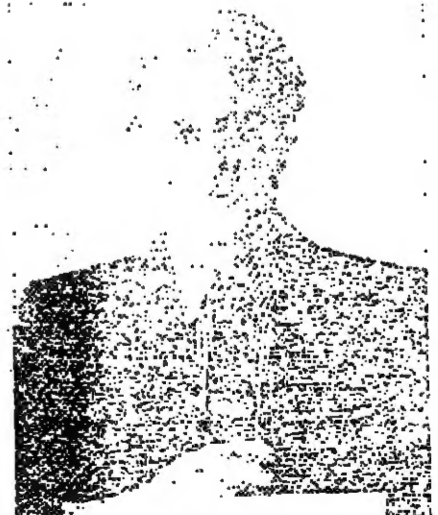
That's why he's itching to help you.

With the right kind of loan, for instance.

A bigger business, sooner or later, will need bigger or improved premises.

He can arrange a NatWest Business Development Loan to take care of that. Long-term financial requirements are no problem either as NatWest own a Merchant Bank, County Bank.

And short-term money based on your debtors can be arranged through Credit Factoring International. If your business could do with some financial inspiration, ask your local NatWest bank manager. He'd like that.



Just ask him.

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PARLIAMENT AND POLITICS

Owen sees improved chance of all-party Rhodesia talks

BY IVOR OWEN, PARLIAMENTARY STAFF

A CAUTIOUS indication that there are improving prospects for securing agreement on the staging of a new round-table conference on Rhodesia, with participation by the Patriotic Front, as well as by the parties to the internal settlement, was given by Dr. David Owen, Foreign Secretary, in the Commons last night.

He told the House: "I believe that the atmosphere in that country and around it is coming close to recognition that there has got to be negotiation by all parties."

Dr. Owen, opening a two-day debate on foreign affairs, rejected the suggestion emanating from Salisbury, earlier this week, that Britain should become an observer within the interim Government established by Mr. Ian Smith, and the black African leaders associated with the internal settlement.

He stressed that the way to an acceptable solution to the long-standing Rhodesia problem lay in persistence, not abandoning principles, not embracing the internal settlement and "not by attending meetings" of the *interim Government.*

Dr. Owen, like the Prime Minister 24 hours earlier, underlined the serious implications of the recent events in Zaire and suggested that the danger of an East-West conflict in Africa could best be averted by arrangements being devised which enabled the problems of Africa to be tackled by the African nations themselves.

He highlighted the importance of next week's meeting in Brussels when representatives of leading Western nations and of the IMF will discuss President Mobutu's plan for restoring Zaire's economy.

Dr. Owen told **Mr. Robert Hughes** (Lab., Aberdeen N), who deplored "the corrupt regime" in Zaire: "This is one of the greatest problem that we face. We have to live with the Government that is there."

For this reason, he said, it was vital that the support which the West provided for Zaire should be made contingent on the carrying through of a programme which could be effectively monitored to make certain that the finance provided was used *for the purposes for which it* had been allocated.

"The central objective is to support Zaire," the Foreign Secretary emphasised.

Mr. John Davies*, Conservative* spokesman on foreign affairs, accused the Prime Minister of adopting an attitude to the problems posed by the events in Zaire reminiscent of the days of appeasement in the 1930s. To recognise the dangers surrounding the West, as Mrs. Margaret Thatcher, the Opposition leader, had done, was not an act of provocation.

Mr. Davies also suggested that the European Community should seek to negotiate guarantees for Europeans in Africa, through the Lomé Convention.

African states could be given guarantees against exploitation or external domination in return for assurances about the protection of European lives and property, he said.

Many of the 30,000 Belgians employed in Africa were now leaving the continent and unless urgent action were taken there would be little prospect of them or other Europeans returning. A composite approach to the problems was needed that would provide more than a "fire fighting" force.

Replying to Dr. Owen, who said that any proposal to use the Lome negotiations for such purposes would be strongly opposed by other EEC members, Mr. Davies said: "There has been a substantial change of mind in the last three or four weeks."

The proposal, he insisted, offered mutual benefits that were likely to be acceptable. A "fire-fighting" force, in his view, ought to be formed within the framework of discussions between the EEC and the African signatories to the Lome convention.

"Whether the force should be formed entirely from Africans or Europeans, or from both. I do not know. But we should try to make Europe and Africa combine for their mutual advantage," he declared.

Call for Soviet arms reduction

RUSSIA WAS urged by Dr. Owen to make a more positive response to the West on disarmament by agreeing to cut back on conventional weapons.

He caused some surprise among MPs by suggesting that the military establishment in Moscow is preventing Mr. Brezhnev extending to the conventional field the co-operation being shown in avoiding a *further* escalation in nuclear weapons.

Dr. Owen complained of the "non-progress" in the talks on *mutually* balanced force reductions and pointed to the increasing build-up of Soviet conventional weapons, particularly tanks.

New efforts were *needed to* try to achieve balanced arms control measures which secured a reduction both of arms, budgets, number of men and the quantity of weapons. *But he* believed that the central issue was the need for the Soviet leadership to get to grips with its own military.

Dr. Owen reaffirmed the *Government's commitment* to using detente to secure a greater observance of human rights in the Soviet Union but admitted *that the West had probably* been too optimistic in assessing the *prospects* for securing tangible results.

"I don't believe that the *Western democracies should* shift one inch from their commitment on human rights," he declared amid cheers *from* both sides of the House.

Peers fail in attempt for fewer Scots MPs

TORY AND Independent peers *failed in an attempt yesterday* to reduce the number of Scottish MPs at Westminster after the first Assembly has been elected in Scotland.

An amendment *to* the Scotland Bill during the Lords report stage was defeated by 105 to 61, Government majority 44.

Its supporters wanted the number of Westminster seats reduced from the current 71. Various alternative figures were suggested between 57 and 63.

Lord Monson (Ind) said that if the number of Westminster MPs was reduced, it would give Scotland and England parity in population terms.

West Country constituencies in England *were very much under-*represented compared with similar areas in and around the Scottish border.

Lord Harmer-Nicholls (C) said that the reason for Scotland's over-representation was that its population had not grown at the same rate as England's.

"Now is the time to avoid future conflict by letting it be seen that Scotland, in return for the major powers they are getting under the devolution Bill, *recognises* this unfairness," he said.

The Earl of Onslow said there would be an English reaction to any over-representation and extra privilege for Scotland. It could endanger the whole union, which was something too special and good to be put at risk.

Lord Wigg (Lab) said the whole Bill was utterly wrong in principle. It would place stresses and strains on the unity of the British people, which could arouse an English nationalism unknown since the 17th century.

Opposing the amendment, the **Earl of Perth** (Ind) said peers were being asked to pick a number of MPs "out of a hat." Surely *this was the business of a* Speaker's Conference and not peers.

Opposition spokesman, **Earl Ferrers**, said the difficulty was that peers were being asked to set a limit. "It is difficult to put a precise or right figure upon the representation. It is right to take advice."

Lord McClusky, Solicitor General for Scotland, said "the Government does not accept that devolution carries with it a necessary and inevitable reduction in representation at Westminster.

"That has been made clear since the Government first published proposals in 1974."

Matters essential to the unity of the United Kingdom such as the economy, defence, international affairs and trade and industry, would remain the sole *responsibility* of Parliament on devolution.

There could be no good argument for reduction in the essential representation of Scottish people at *Westminster* as long as this was the case.

The inherent sovereignty to Parliament itself to legislate on all matters, including those to be devolved, had to be maintained. If the proposal were approved it would be an unwarrantable trespass on the part of the House of Lords.

Tories fail to limit retrospective powers on tax avoidance

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

IN A PROLONGED battle *fought* out in the Commons Finance Bill committee in the early hours of yesterday, the Conservatives *narrowly failed* to defeat the Government's proposals to introduce retrospective legislation against tax avoidance.

But, *as a result of* a tied vote on the controversial Clause 26, the Opposition now has the opportunity to return to the fray when the Bill returns to the *floor of the House.*

The clause annuls an artificial avoidance scheme under which a person enters into a partnership with a company to incur a loss through dealing in commodity futures. What has particularly angered the Tories and the other minority parties is that the proposal is backdated more than two years to apply to such schemes entered into since April 6, 1976.

Yesterday, it provoked a fierce all-night debate *starting* at 1.30 am and ending three hours later. During the exchanges, some MPs slipped out to snatch a few minutes' sleep on the benches in *the committee corridor.*

The Conservatives concentrated their efforts on trying to limit the backdating to November 25, 1977, the date when Treasury Ministers first warned that legislation might be introduced against these particular schemes.

Some Tory backbenchers had, however, put down an amendment stipulating that the clause should only take effect from April 11 last, the date on which it was announced in the Budget.

They failed to press this amendment but it was then moved by **Mr. Enoch Powell** (Ulster Unionist, Down S.) who had made an impressive speech during the debate warning of the grave constitutional dangers of retrospection.

The amendment was easily defeated by a Government majority of six (14-8). Mr. Powell and Mr. John Pardoe, Liberal economic spokesman, supported the amendment, but were backed by only six Conservatives.

The amendment favouring the November date, backed by the Tory front bench, was then defeated by a margin of two (14-12). All the Tories present supported it, but Mr. Powell and Mr. Pardoe abstained because they felt it would still have allowed a dangerous degree of retrospection.

This was followed by a tied vote of 14-14 when the Government tried to get the clause *accepted as part of the Bill. The* Government motion was carried only when Mr. Victor Goodhew, chairman of the committee, followed tradition and cast his vote *in* its favour.

The tie means that the clause can be debated again on report stage in the Commons—an opportunity which the Tories intend not to miss.

Opening the Opposition attack, **Mr. Tim Renton** (C, Mid Sussex) warned that the legislation could open a floodgate with retrospections being used in other fields. He thought that all it would do would be to push tax avoidance schemes underground.

Mr. Powell condemned the proposals as "an exceptionally grave and novel use of retrospection." The citizen was being told "You had better look out" and that the Government and Treasury would strike back retrospectively at schemes of which they did not approve.

Mr. Peter Rees, an Opposition Treasury spokesman, said that tax avoidance was a symptom and consequence of the punitive rates of income tax under a Labour Government.

"These provisions aim to terrorise, to create uncertainty and restrain people in the future from embarking on schemes of *this kind," he complained.* "I find it totally repugnant and entirely destructive of civilised life in this country."

For the Government, **Mr Joel Barnett**, Chief Secretary to the Treasury, maintained that the clause did not pose a threat to liberty, merely a threat to the small number of people using the scheme. "Retrospection in this case is not of itself unconstitutional nor an affront to the House or the rule of law," he said.

It was only by going back to 1976 that the Government could stop such schemes. If it just *went back to November last year,* when the first warning was given, the schemes would be able to continue and the tax avoidance industry would be delighted.

By introducing the clause, the Government was warning the avoidance industry that there was no future in trying to sell such schemes.

Mr. Pardoe asked why the Government was not prepared to challenge the matter in the courts rather than by *retrospective legislation.*

Mr. Barnett told him: "There is a risk that the schemes may be found by the courts to be perfectly legitimate and the tax lost to the Revenue."

Mr. Pardoe said that Mr. Barnett had failed to make out his case. "The rule of law requires that the citizen knows what the law is. If you depart from that principle, the rule of law ceases to be a reality."

Concession to self-employed

A FURTHER concession to the self-employed was made by the Government on the Finance Bill in the early hours of yesterday.

A clause in the Bill allows people setting up a trade to offset a current tax loss against income earned before they started their business. The intention is to help those wanting to start up a new business.

Mr Graham Page (C. Crosby), urged that this should be extended to those in professions and vocations. **Mr Joel Barnett**, Chief Secretary to the Treasury, agreed to the principle of the Conservative suggestion and said that the Government would be introducing amendments to put it into effect.

Poll powers defeat

THE GOVERNMENT was defeated in the Lords on a Tory proposal that the Scottish Secretary of State should get Parliamentary approval for changing the date of elections to *the Scottish Assembly.*

Voting was 90 to 60, a majority against the Government of 30.

Callaghan inflation claim challenged

BY RUPERT CORNWELL, LOBBY STAFF

SENIOR CONSERVATIVES last night launched a powerful counter-attack on the Prime Minister, accusing him of blatant deceit by promising the Commons this week that there was *no reason why inflation should* ever return to double figures.

The rejoinders, which came both from Sir Geoffrey Howe, shadow Chancellor, and Mr. Peter Walker, a senior Cabinet Minister under Mr. Heath, indicate that the Tories see hopes of elevating the Prime Minister's remarks to the same category as Mr. Healey's now notorious *affirmation shortly before the* October 1974 election, that inflation had dropped to 8.4 per cent.

Sir Geoffrey declared that the prediction was "outrageously *misleading" and at odds with* responsible economic forecasts.

"It does not even take into account the fact that inflation in the past three months has been on the Healey basis at the rate of 10.5 per cent a year.

"The approach of a general election has stripped Mr. Callaghan of his mask of decency far sooner than even his most *apprehensive supporters might* have feared," he said.

Mr. Walker charged the Prime Minister with "deliberate deceit."

The Government White Paper *on incomes policy last summer* had argued that if earnings in the current round increased by more than 10 per cent, Britain would be back to double digit inflation. "We now know that earnings have gone up by 14 per cent, thus guaranteeing double figure inflation in the months ahead," the former Minister declared.

The aggressive Conservative line reflects a growing conviction within the party that Labour may now be on the point of losing the economic initiative.

The Tories believe that with the mortgage rate poised to increase at least by 1 per cent in the near future, other interest rates may also have to climb as the Government strives to regain its control of the money supply and boost the sale of gilt-edged stock to fund its deficit.

Tory MP loses unions Bill

TORY MP Mr. Nicholas Ridley (Cirencester and *Tewkesbury*) was yesterday described in the Commons as a "union-basher wanting to nobble the trade union horse."

Mr. Ridley, who had tried to bring in a Bill setting up a disciplinary committee to investigate *allegations of misconduct* by union officials, was said by **Mr. David Stoddart** (Lab, Swindon) to have "a fanatical obsession" with the trade union movement.

Mr. Stoddart added: "Such a Bill hits at the very rights of workers and seeks to establish State control of the unions.

"Mr. Ridley has little knowledge of the trade union movement. What he doesn't understand he hits. He is a political Luddite."

Mr. Ridley said he believed trade unions played a very important part in society. He denied recent suggestions that he believed in confrontation with the unions and described Press reports as "misguided."

The Bill was rejected by 159 votes to 95, a majority of 64.

Plaid Cymru chairman warns on 40% vote

BY ROBIN REEVES, WELSH CORRESPONDENT

A WARNING that the 40 per cent threshold in the Welsh and Scottish devolution referenda could seriously undermine the cause of Parliamentary democracy has been given by Dr. Eurfyl ap Gwilym, chairman of Plaid Cymru.

Dr. ap Gwilym told a meeting in Merthyr Tydfil, at which he was adopted as Plaid's prospective Parliamentary candidate for the constituency, that if a majority of votes cast in the Welsh referendum favoured the assembly, then it should be established. "Parliament is playing not only a cynical game, but a *dangerous* one in rigging the referendum," he declared.

If a majority voted for the assembly, but it was not estab*lished because of the 40 per cent* rule, there would be years of bitterness in Wales.

Plaid Cymru, said Dr. ap Gwilym, had always pursued its aims by constitutional means and would continue to do so. Those responsible for introducing "banana republic" versions of democracy were guilty of seriously undermining the cause of Parliamentary democracy, he argued.

Bus fares 'higher than cost of car travel'

MR. WILLIAM RODGERS, Transport Secretary, was urged by MPs in the Commons yesterday to undertake studies of the effect on public transport of both higher and lower fares.

Mr. Dennis Canavan (Lab. Stirlingshire W) said that the *latest 15 per cent increase in* Scottish bus fares meant that in some cases it was more expensive to travel by bus than by car. The increase had caused a loss of pas*sengers which in turn would lead* to cuts in the service or higher fares.

Mr. Canavan urged the Government to take action to stop the vicious circle which was crippling public transport in various parts of the country.

Mr. Rodgers stressed that effort was needed to ensure that the fare increases to which we had become accustomed should not become the pattern. He was not planning any study of the effect of higher fares.

On lower fares, Mr. Rodgers said that where British Rail had been able to experiment with special fares these had proved very popular and had earned additional revenue.

Mr. David Crouch (C, Canterbury) accused British Rail of boasting of its great success as a cost of several hundred thousand pounds a year in advertising. "What use is this to those compelled to travel by BR and suffer its growing inefficiency?" he asked.

He was supported by **Mr. Kenneth Lewis** (C, Rutland and Stamford) who insisted that the more complicated the special *offers the more the cost in advertising.*

Mr. Rodgers replied that British Rails' efficiency was improving. "I see no reason why BR *should not bring to the attention* of its passengers the facilities it offers."

Advertising high speed trains had been a great success. They were now carrying 30 per cent more passeners than the previous services.

Mr. Eric Heffer (Lab. Walton) called for free public transport in certain urban areas to reduce the number of people using cars.

Mr. Rodgers said he was in favour of such experiments as long as people were prepared to cover the loss of revenue.

Views invited on industrial democracy

ORGANISATIONS and individuals wishing to comment on the Government's proposals on industrial democracy should make their views known as quickly as possible and, in any event, before the end of September.

This timetable was given by Mr. Edmund Dell, Trade Secretary, in the Commons yesterday, when he recalled that the recently published White Paper indicated certain issues on which decisions remained to be taken in the light of further consultations and representations.

Coach safety studied

THE GOVERNMENT is considering ways of improving the safety *of motor coaches, including new* regulations on roof strengths and braking systems, **Mr. John Horam** Transport Under Secretary told the Commons yesterday.

Mr. Gwilym Roberts (Lab Cannock) had called for speedy action to bring in more regulations following a series of tragic coach accidents in recent years. Mr. Horam agreed and said the Government was acting as fast as possible.

LABOUR NEWS

Engineers contest ACAS ruling

BY ALAN PIKE, LABOUR CORRESPONDENT

THE ADVISORY, Conciliation and Arbitration Service had applied its powers "wrongly, unlawfully, unfairly and indeed perversely," to decide a trade union recognition issue, the High Court heard yesterday.

The United Kingdom Association of Professional Engineers, *is asking the Court* to declare void an ACAS recognition decision against it at APE-Allen, a Bedford engineering firm.

In its report, ACAS decided that recognition of UKAPE would disrupt existing bargaining arrangements.

Mr. Bernard Marder, QC, for UKAPE, told Mr. Justice May that while the case ostensibly involved APE-Allen the issue was of wider significance.

The heart of the case was the *right* of union members to be represented in negotiations by the union of their choice, and whether ACAS had "the right to ride roughshod — as we say *it has ridden roughshod* — over the clearly expressed wishes of a group of workers."

It was clear that if the policy reasons given in the ACAS report on APE-Allen were applied generally in other cases, UKAPE would have no hope of being recommended for negotiating rights anywhere.

UKAPE, said Mr. Marder, had about 5,000 members and was not affiliated to the TUC or any political party. Full membership was confined to chartered engineers, graduate engineers and other professional engineers with equivalent levels of responsibility.

Bargaining

It had a 100-strong site group at APE-Allen and had been seeking collective bargaining rights there since at least 1970.

The company had consistently and primarily supported the policy of the Engineering Employers' Federation which was, in effect, to refuse to bargain with organisations which were not members of the Confederation of Shipbuilding and Engineering Unions. It could, not, therefore, recognise UKAPE.

In 1976, the union applied to ACAS under the Employment Protection Act recognition procedures and last year ACAS sent out a questionnaire to all technical staff at the Bedford plant.

This showed 79 per cent support for UKAPE among the staff it wished to represent and 35 per cent support—greater than for any other union—among the wider group.

ACAS subsequently produced a report which made no recommendation for recognition of UKAPE. Then, said Mr. Marder, something "somewhat curious" happened and the ACAS council approved a final report subject to further amendment involving the employers' group.

When the final report was issued, it contained an amendment arising from correspondence between ACAS and the employers' group which the union did not know about. This, he said, involved a denial of natural justice.

Mr. Marder submitted that ACAS was exercising quasi-judicial powers and that these were subject to the supervision of the courts.

"The reasons must be intelligible and the reasons in this case are not intelligible. The decision and reasons for it must make sense on the evidence. ACAS's decision does not make sense on the evidence which it had before it."

Ford stewards meet to try to end violence dispute

BY NICK GARNETT, LABOUR STAFF

A MEETING of senior shop *stewards representing foremen* at Ford Motor's car plants will try to end the "shop floor violence" dispute at Dagenham.

Today's meeting was called by the Association of Scientific, Technical and Managerial Staffs.

The dispute has affected Cortina and Fiesta production at Dagenham, where the plant's 1,000 foremen and supervisors have all stopped work.

The foremen are prepared to stay out until at least the beginning of next week and there have been threats of sympathetic action by supervisors at other Ford plants.

These include computer staff at the company's Warley headquarters and at its components factory at Daventry.

The 25,000 hourly-paid workforce at Dagenham has been working today but the absence of foremen has hindered production.

Mr. Bob McCusker, ASTMS assistant general secretary, said yesterday that the union's Ford national advisory committee *was meeting this morning* to try to solve the dispute.

He believed that the issues raised by the dispute could not be solved by industrial action and would have to be settled at plant level. He expected to speak to company officials today.

The dispute arose after allegations that a worker who had had his pay stopped for being absent from work had assaulted a foreman.

The man was dismissed but reinstated after an inquiry. The foremen then went on strike.

Union officials say, however, that the dispute highlights a general problem of violence between workers and supervisors.

Shop stewards and management yesterday bitterly criticised what they believed were sensationalist press reports in some newspapers earlier thi week about the dipute, particularly over the number of incidents of violence and the alleged influence of racialism.

Duffy calls on Leyland toolmakers to drop strike plan

By Arthur Smith

MR. TERRY DUFFY, president-elect of the Amalgamated Union *of Engineering Workers, yesterday* urged Leyland toolmakers planning a one-day strike on Monday to stay at work.

Mr. Duffy, the union's Midlands executive member, was addressing a meeting of 50 senior AUEW shop stewards from all Leyland car plants in Birmingham. He said later: "My plea was received warmly and I am optimistic that many toolmakers will be at work next Monday."

Absent from the meeting was *Mr.* Roy Fraser, leader of the unofficial toolroom committee which *organised* the strike to press a claim for separate negotiating rights. He had been invited, but said he had other commitments.

An all-out strike by the toolmakers last year on the same issue brought a serious threat to Leyland Cars. The toolroom men say they may take more industrial action if their demands are not met.

Parity moves

At the *meeting Mr. Duffy* reported to the stewards on progress in the joint negotiating committee working out a new Leyland pay structure, including a common settlement date of November 1, and parity for all Leyland plants by November next year.

He said the stewards had urged him to seek some improvements and they wanted to see speedier progress.

Mr. Duffy said he was asking the toolmakers to call off their strike because continued production was a prerequisite for achieving a fair and equitable wage throughout Leyland.

Interrupted production would enable critics of Leyland Cars outside the group to say that once again Leyland was at *collision* point.

"I am asking for unity," said Mr. Duffy.

Furnacemen in talks at Llanwern to-day

BY ROBIN REEVES, WELSH CORRESPONDENT

BLASTFURNACEMEN at British Steel Corporation's Llanwern steelworks meet this morning to discuss a possible end to the dispute now threatening to cause mass lay-offs at the plant from Monday.

Strong pressure is evidently being exerted behind the scenes by other unions—the men involved are all members of the National Union of Blastfurnacemen—for an end to the stoppage, which has halted all iron and steel production at the plant for more than a week.

The management has warned that *mass lay-offs of up to 6,000* men will become inevitable from Monday unless work is resumed. Only white-collar staff, safety personnel and coke oven operatives will continue working.

The stoppage began when the corporation shut the No. 3 furnace and laid off 100 blastfurnacemen on the grounds that a work-to-rule was making the 5,000-tons-a-day furnace—the biggest working in the UK—impossible to operate.

The men claimed to have been locked out and, as a result, another 400 blastfurnacemen walked out in sympathy, halting all raw iron and steel output.

The finishing end of the works, which normally produces 40,000 *tonnes of steel a week, has kept* going to date on accumulated stocks, but these are now rapidly approaching exhaustion.

Tighter rules for jobs search and transfer aid

BY OUR LABOUR STAFF

GOVERNMENT MEASURES to increase labour mobility and cut unemployment are to be tightened.

Eligibility for the employment transfer scheme and the job search scheme will be restricted, and the nucleus labour force scheme will be scrapped.

From July 17, applications for aid under the Manpower Services Commission's employment transfer scheme will have to be made before a person starts work in a new area.

From January 1 next year, students who have qualified in the past six months will not be eligible for assistance.

The scheme provides financial help to the unemployed or those threatened with redundancy to move to take up a job.

A Manpower Services Commission review of the scheme has shown that about 70 per cent of those who received aid would have moved anyway, and that 25 per cent move back within a comparatively short time.

From July 17, the grants will no longer be paid in a lump sum but in two six-month stages.

The job search scheme, under which people looking for work can claim travelling expenses for interviews, will be changed from July 17. Payments will then be considered only if the application is made before the journey.

The nucleus labour force scheme, which aided companies moving to high unemployment areas by helping workers in a temporary transfer, will be withdrawn from July 17 because it was used so infrequently.

Peace move at Bank printing works fails

By Our Labour Staff

TALKS BETWEEN *print* union and Bank of England officials at the Advisory, Conciliation and Arbitration Service yesterday failed to produce a formula to *end the dispute at the bank's note* printing works *in* Essex.

Local talks are expected today and a mass meeting of workers has been called for tomorrow.

The dispute involves the question of a closed shop for note examiners and complaints that management has been replacing members of the Society of *Graphical and Allied Trades by* non-union workers. More than 500 examiners, drivers, binders and other SOGAT members have been dismissed and note printing *and distribution has been halted.*

Nurses seek 'special treatment' over pay

BRITAIN'S NURSES—many of whom now take home less pay than cleaners and porters in hospitals—yesterday demanded special treatment from the Government.

The delegates at the Royal College of Nursing's congress in Harrogate called for a deal similar to those already given to doctors, dentists, university teachers and firemen and police.

They also rebuffed a Government warning earlier this week that a pay deal following a report on top nurses' salaries, due out this autumn, would not be backdated and would have to be negotiated within any pay policy in force.

Negotiations on the report—which affects the top 2,000 of the 350,000 nurses—should be "unfettered and free" as the award has been owing since April, 1975.

Union declares war on Lump

THE 300,000 strong building workers union yesterday declared war on The Lump—the system of labour-only sub-contracting in the industry.

Delegates at the Union of Construction, Allied Trades and Technicians conference in Dunoon called on the executive to formulate a policy of outright opposition to the system which it was claimed had brought "malpractices and corruption."

They also called on the executive to oppose exemption certificates for tax purposes being granted to sub-contractors by the Inland Revenue.

THE JOBS COLUMN

Best design yet for reviving UK innovation

BY MICHAEL DIXON

THE VERY successful electric razor produced by Philips was designed, I am *told*, by two professors of engineering on the Continent. How many of the United Kingdom's 400-plus engineering professors could show similar competence in the crucial design aspects of engineering?

I put the question this week to one of the 400, Professor Michael French of Lancaster University. He and five other members of the Engineering Professors' Conference had just been explaining their plans for producing, at long last, the kinds of young technologist needed to revive our economic prospects by regenerating the *innovative powers of industry*.

He bristled with thought for half a minute before answering. Then, well, he said, if I had asked the same question three or four years ago, he would have replied that, of the 400, perhaps one and a half could rightly claim to be professors *of engineering design*. But today, he believed that even those had disappeared from the UK educational scene.

"Ye gods, it doth amaze me," said Shakespeare's Cassius. And *I agree with him.*

Even so, the hole in our universities where design ought to be, *emphasises* the fundamental point made in the professors' proposals, which have now been sent to the Finniston Inquiry *into the engineering profession*. (And any readers who imagine that the outcome of this inquiry *does not* concern them, had better think again in view of the evidence that this country's break-out from worsening economic stagnation and unemployment and the totalitarian threat that these imply, depends on a rebirth of technological innovation.)

"An important disparity may exist," the professors' plan says, "between the meaning of 'high quality' as used by industry to describe its demand for high calibre engineers and the same term's meaning as measured by purely academic criteria."

Here, of course, a churlish person might criticise our technological professors for saying that the disparity only "may" exist, when the absence of proven engineering designers from their own ranks surely makes it glaringly obvious that the disparity *does* exist.

But the plan more than atones for this shilly-shallying by providing a rare, if not unique, exception to the educational profession's rule that should academic criteria fail to coincide with any other kinds, then it is the other criteria which are wrong.

"This possible ambiguity must be resolved and any possible confusion eliminated," the *plan says*. "If this is not done satisfactorily (educational) reform may still not produce the types of engineer required.

"Industry is concerned as much with personal qualities such as determination, leadership, articulateness, drive and creative ability, as it is with intellectual ability. This is especially evident in the very testing conditions of production management . . .

Actual needs

"The characteristics required in engineers of high quality for the various types of engineering work (including senior management) should be carefully defined so that the possibility of confusion about the actual *needs of industry is removed*.

"Research should be conducted into skill, motivation and aptitude testing as an aid to selecting engineering students of high quality."

No, reader, you are not dreaming. The UK's major body representing university professors of engineering really is saying that we must henceforth first find out what sort of people industrial resurgence *requires*, and then *devise* an educational process capable of identifying and developing them.

This—which might be called a practical engineering approach —differs from specifications for meeting the same requirement issued by professional institutions in the field. Those I have read have all indulged in academic sycophancy by assuming in one way or another that in needing better quality professional engineers, industry must mean engineers with higher-level qualifications judged by *purely academic criteria which*, by the way, tend to screen out people with several of the *attributes listed by the professors* as personal qualities.

Given appropriate criteria for *identifying the right student* raw material, the professoriate adds, the most suitable engineer-producing process would be broadly as follows.

Preferably a year or more after starting their degree studies the students would be divided into two streams, which the plan terms Category A and Category B.

A minority of the students—say, a quarter to a third—whose abilities seemed most suited to high-grade academic work would then complete four years of full-time study, plus about a year of working in an engineering industry either *before starting higher education* or during breaks in the first two years of the course. *These would be the A-type professional engineers.*

The majority would take the B train which, although also requiring additional working experience, would require only three years of full-time study —which, of course, is no more than is prescribed for bachelor-level graduation in the bulk of UK courses and subjects. The later stages of the Bs' degree studies would be directed towards the practical skills of *engineering work*.

Now, to my mind, by producing this outline specification the engineering professors *have* done more than enough to deserve an extra bottle of stout *on their birthdays at the* expense of the public purse

Rare talent

The plan would be sufficient *evidence that, whatever their* lack of proven ability in engineering design, they have a *startlingly rare talent for educational design*—if it were not for one point.

Why the Dickens risk spoiling such a promising project by calling the four-year students "A's" *and the three-year people* "B's"? What enterprising youngster, regardless of the work most suited to his or her particular ability, is going to opt for a B in preference to an A?

The regeneration of our industry's innovative power depends on our having appropriately skilled people both in the more theoretical and in the more practical aspects of engineering. Each kind of work *is dependent on the other*, and there can be no sensible way of reckoning either as better or worse. They are just broadly different.

So to be fair as well as wise, the professors surely now need to stop describing the two categories by symbols which imply any better-and-worse ranking, and instead distinguish the two by adjectives which convey a fairly accurate idea of the kinds of work involved.

The best suggestions I can think of at the moment are "projective" engineers for the four-year variety, and "productive" engineers for the three-year folk. Sadly, that combination risks the mistaken inference that only the more practical category provides results which are of tangible value.

But, as every journalist knows, the task of finding precisely the right word can often be beyond a single mind. So if any reader can contribute better suggestions, I will gladly pass them on to the Engineering Professors' Conference so that it can make its very good plan into an excellent one.

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Our client, an *international* bank *with a recently established branch in* London, seeks a Credit Analyst of the highest calibre. Candidates should have a minimum of 2 years *experience in an* international bank and have successfully completed a formal course of credit training with an American bank. A good working *knowledge of at least one* European language would be a definite asset.

In view of the considerable importance attached to this position an above average salary would be negotiated, offering considerable inducement to the right candidate. *Contact:* David Grove

NEW ISSUES MANAGER £7,000+

A Manager is required to run the New Issues Department of a merchant bank subsidiary.

Applicants should have had managerial experience of handling Rights, Capitalisations, and Takeovers in a busy office of a bank, broker or registrar; have worked with computerised office systems; and have the ability to organise and motivate staff effectively.

This challenging job, demanding high professional standards, offers considerable independence and variety and the opportunity to deal with a wide range of clients. *Contact:* Roy Webb or Kenneth Anderson

MONEY BROKERS £4,000 – £10,000+

The following vacancies, with prominent firms of Money Brokers, are among those we can currently offer in this field:—

1. Experienced Foreign Exchange Deposit Broker with knowledge of French and German – £10,000+
2. Trainee Foreign Exchange Broker with fluent French – £4,000+
3. Experienced Local Authority Brokers or Dealers – salaries negotiable

Contact: Mike Pope

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

Unicorn Industries Limited : Diamond Products Division

Financial Controller

International Role – Basingstoke Based

The Diamond Products Division of Unicorn Industries Limited is a world leader in industrial diamond tool manufacture. From its Basingstoke Headquarters, it offers management services to 25 companies in twelve countries.

As a result of steady growth, this post has been created for a qualified accountant with at least 5 years' post-qualification experience, responsible to the International Finance Director. It involves; dealing with the potential problems of accounting controls in small companies; providing a consultancy service to operating companies on accounting systems, staffing levels, hardware and accounting for inflation; helping management to interpret financial and other operating reports and to evaluate market opportunities. Extensive travel in Western Europe is required.

An attractive salary reflecting the importance of the post will be offered together with the usual large company benefits.

Please send your application, together with c.v., to: I. L. Roderick, International Financial Director, Unicorn Industries DPD Limited, Lister Road, Basingstoke, Hampshire.

This appointment is open to men and women.

Gulf

INTERNATIONAL AUDITORS

London based with overseas travel

Starting salaries negotiable up to £8,500 per annum

The internal Audit Department of Gulf Oil Corporation has a number of vacancies for Accountants who are seeking an interesting career development move. Based at Gulf's European headquarters in the West End of London the people appointed will work as part of a team which provides audit coverage for Gulf's exploration, production, refining and marketing operations in several countries.

Candidates should be qualified or part-qualified Accountants, possess good communicative abilities and be prepared to spend approximately 50% of their time away from headquarters.

Computer Auditor

One of the vacant positions is in the Computer Audit team and for this appointment a special interest in computer audit work is essential. This job will entail the monitoring of the integrated Data Processing network throughout Europe using the latest database technology.

Gulf, as a major International Oil Company, offers first class conditions of employment and generous overseas allowances. Career opportunities within Gulf are excellent, particularly for people with accountancy qualifications who can demonstrate a record of achievement.

If you would like to be considered for one of these appointments, please write giving brief details of age, education, job history and present salary to:—

Mr. M. J. Thompson,
Gulf Oil Company - Eastern Hemisphere,
Gulf House,
2, Portman Street,
London, W1H 0AH.

Applications will be handled promptly and in complete confidence.

FINANCIAL CONTROLLER

London WC1 £9,000 + Car

Directorship potential offered to ambitious Chartered Accountant with major publishing house, turnover c. £40m; responsible to Managing Director for all accounting functions, strong financial control and business management.

CORPORATE AUDITORS

Brussels base £8,000 NET

Worldwide travel and non-routine assignments will appeal to young single Chartered Accountants wishing to accumulate capital and become involved with high level acquisitions, investigations and cash management.

FINANCIAL CONTROLLER

Kent c. £8,000

An experienced qualified accountant (under 40) is sought by fast-expanding manufacturing group. Responsible to Managing Director for all U.K. and European accounting functions, planning and computerisation programmes.

Telephone or write in confidence to
Accountancy Personnel Senior Appointments,
41-42, London Wall, London
EC2M 5TB
01-588-5105

ACCOUNTANCY PERSONNEL

Financial Controller

Bucks/Berks Border £8,000 + car

We are seeking a qualified Accountant, 27-40, ACA, ACCA or ACMA, having experience in the day to day control of an accounts department and the timely production of monthly management and annual accounts including consolidation of results for overseas subsidiaries and reporting upon manufacturing costs, ideally for an engineering company.

Reporting to the Financial Director/Secretary, you will be expected to quickly assume responsibility for the entire finance function heading a department nearly fifty strong, operating mechanised and sophisticated computer based systems. You will have the opportunity of instituting further routines and reports as are necessary for more effective management control and profitable operation as well as involvement in Company Secretarial activities. A practical, down to earth approach is required as well as the ability to communicate at all levels.

The Company is the £20m autonomous subsidiary of a major public group and employs 1400 in the manufacture of precision engineering products sold worldwide. Involvement with overseas subsidiaries will afford the opportunity of foreign travel and there are prospects of promotion within the UK or overseas.

Please write briefly or telephone for an application form, quoting ref: 445.

Management Personnel
Recruitment Selection & Advertising Consultants
York House Chertsey Street Guildford Surrey
GUILDFORD (0483) 64857

The Whitsun Foundation

THE WHITSUN FOUNDATION invites applications from suitably qualified persons for appointments at senior executive level.

The Whitsun Foundation is a non-profit development agency funded by private capital from local sources. Inaugurated in 1975 it has been involved in a process of national development programming involving policy analysis, project identification and project preparation to the stage of complete feasibility and analysis. The work of the Foundation has been undertaken explicitly in anticipation of development priorities under a recognised majority rule government, and the emphasis has been on developing the basis for projects to be funded by external aid agencies. Whitsun offers an exciting opportunity for a range of specialists to collaborate with a new Zimbabwe government in its future programme of development.

Applicants should have substantial applied experience in one or more of the following fields.

- Development Economics and Planning
- Agricultural and Rural Development
- Urban Planning
- Manpower Planning
- Development Finance

The Foundation offers highly competitive salaries, negotiable in accordance with qualifications and experience.

Applications with particulars, including references, should be addressed to: The Director, P.O. Box 8274, Causeway, Salisbury, Rhodesia.

Candidates responding to this advertisement are advised to make contact with the Foreign Office before making a commitment to employment in Rhodesia

MERCHANT BANKING

S. G. Warburg & Co. Ltd.

Our corporate finance business continues to grow and we are seeking young executives with the potential to make a significant contribution to our business.

Successful applicants are likely to be aged between 24 and 30, who have obtained a professional qualification in law or accountancy, or a business school degree. It will be an advantage, particularly so far as older applicants are concerned, if they have also acquired some post qualification experience relevant to our corporate finance business.

Applications, enclosing a concise curriculum vitae, should be sent in confidence to:

G. E. J. Wood, S. G. Warburg & Co. Ltd.,
30 Gresham Street, London EC2P 2EB.

European Tax Manager

from $30,000

A major company in the data processing industry wishes to recruit someone to co-ordinate the management of its tax affairs in Europe. This is a new appointment.

Responsibility will be to the director of international tax for creative tax planning, for appraising the tax implications of proposed corporate action, for identifying tax trends, for negotiating with the revenue and for analysing foreign tax data to be submitted for incorporation into the United States Federal return. He—or she—will brief counsel in litigious matters.

The specification calls for a legal, revenue or accounting training supplemented by not less than four years at senior level in practice or in European industry or commerce. Preference will be given to those bi-lingual in English and French.

Age probably in the thirties. Compensation will be tailored to location (London/Paris/Switzerland) with a salary negotiable from US $30,000 plus appropriate benefits.

Please write in confidence for an application form and a job description to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting MCS/3695.

Price Waterhouse Associates

BANKING OPPORTUNITIES

MIDDLE EAST

As executive selection consultants, we advise a number of international banking and financial organisations in various countries of the Middle East on a range of appointments, including loan officers, project managers and corporate marketing officers.

We are currently handling assignments in all of these categories carrying salaries from $35,000 to $70,000 tax free, plus air-conditioned housing, free utilities, generous home and local leave, and other substantial fringe benefits including, in most instances, Company car/car allowance and contribution to school fees.

If you have good lending and/or marketing experience and would like to know more, please telephone (01-437 6141/6037) or write to Alan Ashley.

Paul R. Ray International
Executive Selection
25 Old Burlington Street
London W.1.

Financial Director

to £17,500 + car.

Herts.

An expansionist private group with a 1978/9 turnover forecast over £10m, factoring and manufacturing specialised wall coverings, has created this post both to develop the existing control and reporting systems and to provide the wider finance and planning functions appropriate to a potential quoted company. The new FD will have a significant influence on the commercial management of the group.

Candidates must be qualified accountants probably aged 35-45 whose past experience in manufacturing and commercial environments clearly demonstrates their achievements and expertise not just in the controllership role, but on treasury, systems and planning matters. The growth potential which has already attracted institutional investors provides the clearest guarantee of personal growth.

For a fuller job description write to John Courtis & Partners Ltd., Selection Consultants, 78 Wigmore Street, London, W1H 9DQ, demonstrating your relevance briefly but explicitly, quoting reference 7013/FT. This is an equal opportunity appointment.

JC&P.

Land Economist

c. £6,000

Our Investment Planning department, based in the City, needs a Land Economist and Property Adviser. You would join a small team of specialists where your own contribution would include:

- Research into the preparation of reports on the wider issues of investment in property in the U.K. and overseas;
- Assistance in the financial appraisal of property investments.

You should have two or three years' relevant experience and an appropriate professional qualification or degree. Salary will depend on your experience and qualifications. The usual fringe benefits associated with a major company will apply, including non-contributory pension and house purchase schemes.

Please write for an application form to:

Miss B. M. Justice,
Personnel Department,
Temple Court,
11 Queen Victoria Street,
London EC4N 4TP.

Legal & General

COMPANY ACCOUNTANT

c£ 6,000 N. Bucks

We are an expanding private company engaged in the design and manufacture of medical instrumentation, with established world-wide markets.

We are seeking an accountant with commercial experience to supervise and develop our financial and management accounting functions.

Ideally qualified, candidates must have practical business acumen with the ability, drive and enthusiasm to make a positive contribution to the efficient operation of the company.

Salary negotiable according to qualifications and experience. Assistance with relocation expenses will be given.

Please write to:

The Secretary
VITALOGRAPH LIMITED
Maids Moreton House
Buckingham MK18 1SW
Telephone: Buckingham (02 802) 3691

Company Accountant

Mid Sussex to £7,000

A rapidly expanding fashion company close to Haywards Heath, turnover £6 million per annum, seeks a qualified Accountant preferably aged 25-40 (ACA or ACCA or ASCA) with commercial experience. *The appointee will be supervising a small* management accounting team supported by a staff of 20. Applicant must have the ability to meet very strict reporting dates and be budget conscious. A computer is in the process of installation. Membership of a first class non-contributory pension scheme is offered together with BUPA benefits.

Write enclosing curriculum vitae to Box A.6376,
Financial Times, 10, Cannon Street, EC4P 4BY

ROWE & PITMAN, HURST-BROWN

who have a wide-spread overseas business are looking for a young man/woman to work in the foreign department to help with settlements and dealing. The ideal person will have had experience in a Stock Exchange firm, bank or similar institution.

Good salary and profit-sharing bonus.

Telephone 606 1066, Staff Department, for appointment.

RECRUITMENT CONSULTANT

£7,000-£10,000

We seek to appoint an experienced person with knowledge of and contacts in the Banking/Finance sectors. An expert who is now seeking a more independent role and who needs to achieve higher goals, both financially and in job satisfaction, will find that we speak the same language.

Telephone *DAVID WHITE* on 01-405 5209

DAVID WHITE ASSOCIATES LTD.,
84, Kingsway, London W.C.2

Director: Re-Insurance to £14,000 + Benefits

Lloyds Brokers require a Non Marine Reinsurance Director aged between 30-40 years who is fully experienced in the negotiation and placement of all classes of Treaty and Facultative Reinsurance.

For further details please apply in strictest confidence to Box A.6379, Financial Times, 10, Cannon Street, EC4P 4BY

Research Foreign Exchange

ContiCommodity in London is expanding its research department and wishes to recruit a research analyst to specialise in foreign exchange. Applicants, aged probably in their late twenties, must be of high intellectual calibre and have a good economics degree and experience in foreign exchange or banking. Salary will be negotiable according to age and experience and will probably be in the range £7-10,000 but could exceed this for an outstanding candidate.

Applications to:
Stephen Sherbourne,
J. Farquharson Ltd.,
(Recruitment Consultants),
7, Gresham Street,
London EC2.
01-247 1388.

هكذا من الأصل

CJ RECRUITMENT ADVERTISING
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

CJRA

Wide ranging and interesting appointment with promotion prospects open to those people with oil-industry experience or recent graduates.

SUPPLY PLANNING ANALYST

LONDON — OIL INDUSTRY — UP TO £6,500

MAJOR INTERNATIONAL OIL COMPANY

We invite applications from graduates, preferably in Economics or Chemical Engineering, aged 23-28, who have 1-3 years' oil industry supply operations or planning experience; recently-qualified graduates will also be considered. The successful candidate, who will report to and work closely with the Supply Planning Manager, will be responsible for assisting in the formulation of the crude oil shipping programme, crude oil evaluation and refinery planning, preparation of long-term refined product supply plans, negotiation of terminalling agreements and product exchanges as well as evaluation of alternative long-term supply strategies. Close liaison is maintained with the company's refinery personnel and other oil companies. Numeracy and strong communication skills, both written and verbal, are essential. Salary negotiable up to £6,500, contributory pension, free life assurance. Applications in strict confidence under reference SPA10316/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

Fund Management

Merchant Bank — PRIVATE CLIENTS

Our client, an accepting house, is one of the major forces in the investment scene. They regard private clients as a growth area and are currently seeking to strengthen their growing department by appointing an additional manager.

You will be aged 26/34, possibly be a graduate, but more important be someone who combines an analytical training with flair for portfolio management. Minimum experience level with a stockbroker/investment house/bank — four years.

Your responsibility will cover all types of investment and you will be supported by sophisticated computer and other systems. Considerable personal responsibility and client contact is involved and further promotion prospects are good.

An exceptionally generous remuneration package will include an above average salary, a bonus-level in line with Stock Exchange practice, assisted mortgage, non-contributory pension etc.

Full details please to Colin Barry at Overton Shirley and Barry (Management Consultants), 17 Holywell Row, London EC2A 4JB. Tel: 01-247 8274.

Overton Shirley and Barry

JOB HUNTING?

OVER £6,000
UNDER £25,000
OVER 27
UNDER 57

If 'yes' to all these, we are 90% certain we can help you get a better job quicker. We are not an agency but Europe's most experienced executive and professional career councellors, so telephone us now for more information about our services.

Percy COUTTS & Co.
01-839 2271
140 Grand Buildings, Trafalgar Square, WC2.

International Banking

Investment and Business Planning

Bank of America invites applications for the position of Investment Officer in its Europe, Middle East and Africa Division with headquarters in the City.

Reporting to the Head of Investments and Business Planning, the successful candidate will be responsible for assisting management in formulating investment/divestment proposals; appraising the performance of the Bank's subsidiaries and affiliates; developing business strategy proposals for Senior Management review.

Applicants should be graduates in their 20's, preferably with an MBA, and should have 3 to 5 years experience in corporate finance and planning involving acquisitions, corporate restructuring, capital investment and new investment appraisal gained with an international bank, consultancy or public accounting firm.

Salary will reflect qualifications and experience, and other terms of employment are in line with best banking practice in the UK.

Applications containing full career details and salary history, which will be treated in confidence, should be addressed to: Assistant Vice President — Recruitment, Bank of America NT & SA, 25 Cannon St, London EC4P 4HN.

BANK OF AMERICA

Montagu, Loebl, Stanley & Co.

South East Asia Department

Due to further expansion we are looking for:—

an enthusiast for South East Asia who would like to combine investment analysis into plantation and tin shares with the opportunity to develop our connections with the East.

Attractive terms offered, negotiable according to attributes.

Please reply in confidence to:

Colin Priestman,
Montagu, Loebl, Stanley & Co.
31 Sun Street,
London EC2.

Special Projects Accountant

c. £7,500 — London W.1.

A particularly successful international publishing group seeks to strengthen the management team of its UK subsidiary. This new post carries responsibility to the financial director for non-routine work including control systems review, cost reduction exercises, management audits, profit improvement studies, project analysis, O & M, and occasional "trouble-shooting".

Candidates should be chartered (or certified) accountants aged 25-29 with first class training and about two years post qualification experience in public practice. They can expect a relevant and sympathetic transition to a commercial, profit-oriented environment.

For a fuller job description write to John Courtis & Partners Ltd., Selection consultants, 78 Wigmore Street, London W1H 9DQ., demonstrating your relevance briefly but explicitly, quoting reference 7012/FT. This is an equal opportunity appointment.

JC&P.

GROUP ACCOUNTANT

Cambridgeshire. — c.£8500+Car

The Company — A long established service company with plans to further a successfully adopted policy of diversification.

Responsibilities — Will include controlling the production of the group financial accounts, the agreement of budgets and preparation of management information, and the further development of computer based systems.

Candidate Specification — Self motivated Accountants probably aged around 30 who have experience in commerce/industry where they have successfully controlled a large staff function. They should have broad technical knowledge, experience of EDP systems and have the ability to communicate effectively at all levels.

The candidate appointed will report to the Financial Controller and successful performance will lead to opportunities for career advancement.

For more detailed information concerning this appointment and a personal history form, contact Nigel V. Smith, A.C.A. or Peter Dawson quoting reference No. 2169

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

Accountant Development & Planning

London — c. £6,300 + car

Due to promotion this challenging opportunity has arisen in the Head Office of a major Division of a leading food group. Candidates should be qualified accountants, aged over 25, with experience of a large professional firm and/or an industrial group. Responsible to the Development and Planning Manager, the appointee will be involved in the strategic and financial planning of the Division including the evaluation of investment projects, proposed acquisitions, corporate plans and marketing activities. Commercial awareness and the ability to influence and communicate with people at all levels are essential qualities for this position which is regarded as providing experience for a more senior appointment in the Division. The appointment offers opportunities for travel to subsidiary companies throughout the U.K.

Applications to Miss Marion Williams:

Reginald Welsh & Partners Limited.
Accountancy & Executive Recruitment Consultants
123/4 Newgate Street, London EC1A 7AA Tel: 01-600 8387

BRANCH AUDITOR

Age 30-40 — £7,500+

A leading International Bank with a substantial presence in London seeks to appoint a Senior Banker with an extended and detailed knowledge of all aspects of Internal Audit procedures.

This is a new appointment, and the successful Candidate will report directly to the Head Office, with complete responsibility for the London Branch.

In addition to the obvious technical skills required, personal qualities of decisiveness and authority, and the ability to communicate at top level are of paramount importance. Salary is negotiable, and benefits are highly competitive.

To discuss this position, in complete confidence, please telephone Rod Jordan.

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781

Rowe & Pitman, Hurst-Brown

Members of The Stock Exchange

require a young salesman in their London office to join a team servicing European institutions. Applicants should have some experience of both the U.K. and U.S. markets. A knowledge of at least one European language would be an advantage.

We are offering an attractive remuneration of salary and profit sharing bonus depending upon qualifications and experience, with non-contributory pension scheme incorporating good life cover.

Applications (which are welcomed from men and women) with full c.v. to:
P. N. Smith Esq.,
Messrs. Rowe & Pitman, Hurst-Brown,
1st Floor, City-Gate House, 39-45 Finsbury Square London EC2A 1JA.

R&P

LOAN ADMINISTRATION CLERK

c. £5,000

As a result of continued growth, we now have a further vacancy for a male or female Loan Administration Clerk, in their mid 20s, to join our expanding Loan Administration Department.

If you have previous loan experience, ideally gained with a Merchant or American bank, then we would like to hear from you now.

An attractive salary will be paid and there are excellent fringe benefits.

Please write enclosing a detailed c.v. to: Chris Taylor, Personnel Officer, Saudi International Bank, 99 Bishopsgate, London EC2M 3TB.

البنك السعودي العالمي المحدود
Saudi International Bank
AL-BANK AL-SAUDI AL-ALAMI LIMITED

YOUNG ACCOUNTANT

Required by an expanding publishing company based in the Oxford area. This is an interesting post for a young person who wishes to expand his/her career in financial management. Responsibilities include production of monthly accounts, budgeting, statutory accounts, supervision of accounting procedures and ad hoc financial projects.

Applicants should be mid-twenties and have varied financial experience in industry and/or commerce, be able to demonstrate personal advancement and increasing responsibility in their careers and have an ability to achieve results in a busy working environment.

It is expected that applicants will be either recently qualified or a finalist A.C.C.A., A.C.M.A., A.C.I.S. Knowledge of or experience in publishing and data processing would be an advantage.

Good salary and conditions are offered to the successful candidate. Please apply confidentially in writing to:—

D. M. PHILLIPS
Financial Controller
Phaidon Press Ltd Littlegate House
St. Ebbe's Street Oxford

Banking Recruitment

A Professional Service

Lloyd Chapman Associates are pleased to announce the formation of a Banking Recruitment Division.

The Division, under the management of Yvonne Emmerson-Fish, is structured to provide a professional recruitment consultancy service to the Banking world.

Enquiries are invited from Banking organisations with current or future recruitment needs, and from candidates seeking advice on career opportunities.

In the first instance please telephone or write to Yvonne Emmerson-Fish.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

INTERNAL AUDIT CLERK

Newly qualified Accountant for EC3 Bank to assist Senior Auditor. French an advantage.
Age 25-30 — Salary £6,000 p.a.

SENIOR CLERK FOR CASHIERS DEPARTMENT

For EC2 Bank. Responsible position with varied clerical and administrative duties.
Age 22-30 — Salary £4,000 p.a.

LJC BANKING APPOINTMENTS
283-9958

A Vacancy exists for a fully Qualified and Experienced

SALES ENGINEER

to join a small old-established London company operating in the engineering and metallurgical fields. Some overseas travelling will be required and a knowledge of German would be an asset. We are looking for a self-starter able to negotiate and conclude business transaction. Successful performance could lead to directorship. Applications, giving details of age, technical education, experience, references and salary required should be addressed to:—

Box A.6381, Financial Times, 10, Cannon Street, EC4P 4BY
All applications will be acknowledged

FIRST-CLASS OPPORTUNITIES

available to qualified students and experienced accounting personnel.

Contact Alec Moore on 01-628 2691

DRAKE ACCOUNTING

CREDIT ANALYST with either 6 months experience or good loans, admin. background, for further training with U.S. bankers. Excellent salary plus usual fringe benefits. Ref. 961. Lloyd Chapman Associates (Banking Division). 499 7761.

ASSISTANT ACCOUNTANT

Required by City Commodity Brokers near Fenchurch Street. Qualified person preferred with experience in the profession gained after qualifications. Company have ICL 2904, but Computer experience not essential. Salary £7,000 p.a. + annual bonus.

Please write Box A.6378, Financial Times, 10, Cannon Street, EC4P 4BY.

A Major U.K. Investment Bank seeking to expand its already substantial dealing operations requires two

Eurocurrency Traders

The more senior position is for someone who has been dealing for a minimum of 5 years including experience of the dollar CD or FRN markets. Experience in the Foreign Exchange market would be an advantage.

The other position requires someone with at least 2 years' dealing experience. Some knowledge of the dollar CD, FRN or Eurobond markets would be an advantage.

Realistic salaries for both positions would be paid depending on age and experience and the usual Banking fringe benefits are available. Both positions offer excellent scope for advancement.

Please write with full details, quoting ref: FT/152, listing any companies to whom you do not wish your application forwarded, to Peter Phillips,

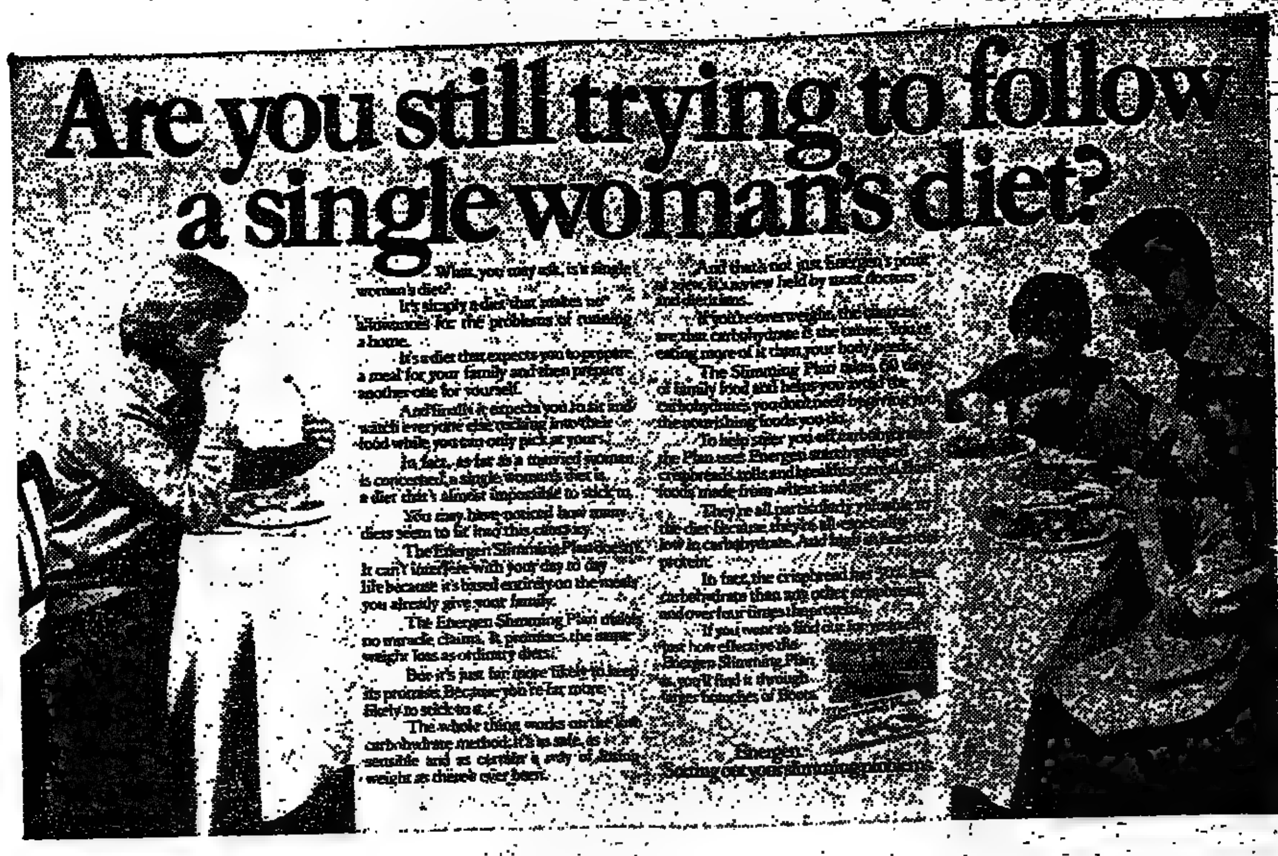
Riley Advertising Ltd., Old Court House, Old Court Place, Kensington, London W8 4PD.

Confidential Reply Service — Riley

A member of the Rex Stewart Group

"I was as delighted as FGA when they won a DADA silver award for the Arthur Mullard commercial for Dry Reserve, particularly because the 1978 films now in production are even better."

John Hings. Marketing Director, H.P. Bulmer Ltd.



"When the current Energen advertising began I wrote to FGA to say that it is the most sensitive and understanding of the slimmer I've seen since I began publishing Slimming Magazine."

Tom Eyton. Chairman and Managing Director, Slimming Magazine.

"What I want from an agency is strong, singleminded, visible advertising. That's what I'm getting from FGA."

Richard Hall. Sales and Marketing Director, The Mettoy Company Ltd.

"The advertising produced by FGA for Chewits has been a significant factor in the success of the brand over the last two years."

Ted Dixon. Marketing Director, Cavenham Confectionery Ltd.

"The continuing success of this unusually distinctive lager is due in no small way to its outstanding advertising."

Alan Bridgett. Managing Director, Holsten Distributors Ltd.

"We inherited FGA/Kenyon & Eckhardt when they took over CPV, and frankly I was a bit apprehensive. Now I think we're getting the best work we've ever had."

David Eaton. General Manager (Sales), Geo. Wimpey & Co. Ltd.

When clients get the advertising they deserve, so does the agency.

FGA/Kenyon & Eckhardt Ltd.,

63-65 North Wharf Road, London W2 1LA Telephone: 01-262 6700.

The Marketing Scene

EDITED BY MICHAEL THOMPSON-NOEL

Facing up to a new challenge

IN THE days when companies used to look to advertising agencies for comprehensive marketing advice, and the agencies could afford to offer a wide range of back-up services, casting directors were fairly common. They ensured that in a TV commercial or a Press advertising campaign the most appropriate and appealing actors were employed. Now one of the very few remaining casting directors, Allan Foenander of J. Walter Thompson is leaving to set up his own company, F.J. Associates.

Foenander had unrivalled experience and a most comprehensive filing system. His memory for faces ensured that JWT advertising was characterised by distinctive and yet unfamiliar actors. He is quitting to meet the demand for his services from feature film and TV producers. He will, however, continue to work for JWT who will not replace him.

In his 12 years at JWT, Foenander has worked with some outstanding film directors, including Lindsay Anderson, Karel Reisz, John Schlessinger, Joe Losey, Peter Yates, Nick Roeg, Guy Hamilton, and Clive Donner. They have all made commercials for JWT.

● AFTER months of rumours Access, the bank credit card, has moved its advertising account away from J. Walter Thompson, which has handled it since its launch in 1972, and into Geers Gross. Four agencies were short listed—JWT, Geers Gross, Saatchi & Saatchi and FCB—but the Geers Gross presentation won the day. The annual budget has been around £600,000, but may well increase with the new advertising approach.

● FISONS has appointed TBWA to handle its corporate advertising. The account was previously with Vernons. The new business pushes TBWA to 1978 billings of £7.2m.

● THIS year's big ice-cream launch by Lintas for client, Wall's Ice-Cream, is aimed at the teenage adult market and is called "Snofrute"—a lemon sorbet, rippled with raspberry sauce.

The product is being launched in test markets covering one-third of the country, with a national equivalent budget of £200,000. The regions covered are ATV, Westward, Southern and Anglia.

Industrial advertising: how Dexion put glamour into storage

Poor storage and handling costs industry around £10bn a year, which is partly why Dexion launched a £250,000 advertising campaign in September. TERRY GRIMWARD reports

ONE OF the facts of life for an advertising agency confronted with the need to advertise industrial products is that most such products have a low interest rating. In consequence, industrial advertising is very often the wasteland of the communications business.

On the other hand, certain product categories have the advantage of consistently high natural interest. For example, the Gallup Omnibus shows consistently high norms on car advertising for men and on shoes (yes, shoes) for women. Industrial products, as you can imagine, come at the bottom of men's interest levels.

To overcome this interest defect, consumer agencies when faced with this problem invariably attack it by treating the company in question as if it were a consumer product. They find a high interest area related to the subject area as a means of attracting attention, so that Reckitt's industrial campaign talks about the state of factory lavatories in the genre of the *News of the World*, Colt talks about heating and ventilation by describing the impact of hot working conditions on productivity, and so on.

The name of the game is to make whatever you are selling a bigger issue than it is, in the minds of your potential customers. Make the subject matter interesting by talking about related issues or effects, rather than by trying to interest people in the technical advantage of your client's very stunning steam shovel. The effect of such a technique is to generate a level of interest in, and therefore a feasibility for, the companies in question which they otherwise simply could not attain.

Rule No. 1 therefore is, "Make it bigger." Don't talk about your company or its products. Talk about the disasters of not buying or having it. If you do that you have a chance to put something on paper or the screen which can excite real interest.

In Dexion's case this was especially necessary. The director of the Materials Handling Institute at Cranfield called storage and materials handling

"the most ignored management subject." Our own group discussions amongst a wide variety of industries revealed what can only be described as a major block in management thinking. Broadly, management's attitude is as follows: "Materials handling does not make anything, it only moves things and therefore it is not productive." Since it doesn't "produce" anything tangible, it didn't really exist for them. To overcome this type of mental blockage you need a big subject approach.

Rule No. 2 is the reverse of what we all read in those early marketing textbooks. Don't use a rifle on your target group. Use a shotgun. Don't go for a narrow target group when you are observing Rule No. 1 alone. You are really after a much wider target than is at first apparent, simply because even for specialised industrial products advertising needs to be more universal than is generally practised. Put another way, it is this. You are more likely to hit the bull's-eye with your advertising if you aim for the whole target and not the bull.

The reason for this is that the target audience for industrial products is always much wider than you think. Even people who haven't a specific responsibility for the product or service you are advertising are important to you. Although they have no specific responsibility they will, nevertheless, have an impact on the decision because in many cases they are affected by the decision. This is especially true of advertising which is aimed at management level.

If you gear your arguments exclusively to top level management thinking, those arguments will have a very restricted area of influence—namely the Boardroom. Outside the Boardroom, the campaign will tend to be invisible.

With the Dexion campaign a much wider influence has been sought. Hence the campaign, if not popularist, is intended to create a much wider level of interest and comment. Its impact is intended to be felt by both mid-management as well as Board directors.

So Dexion products are made more interesting by telling people that poor storage and materials handling (the absence of Dexion's products) are costing most companies the equivalent of half their profits: "It swallows 50 per cent of the average company's profits."

This was the third advertisement in the campaign. The first two concentrated on establishing a much wider thought—namely that contrary to popular opinion it was not strikes that were holding up British industry but poor storage and materials handling technology. The advertisement pointed out that only one hour in 1,000 was wasted by strikes, whereas one hour in six is wasted by poor storage and materials handling. "Is this really what is holding up British Industry" "The average worker costs his company more than the average striker"

In using this type of argument we are making a conscious effort to make storage and materials handling a more commercially glamorous subject than it currently is.

Most senior managers can hold an intelligent conversation on marketing, production, research or even cash flow. Few understand the management science of storage and handling, because few see it as a management science. To be the company's expert on storage and handling has not been the most obvious path up the promotion ladder in most companies. This campaign is starting to make the subject more acceptable to management. It is giving it the kudos of a new OK subject in the way that cash flow became very OK in the early 1970s.

The effects of such a campaign are inevitably experienced in the medium term, but Dexion has had some very encouraging reactions from a wide variety of industries. To date, over 900 directors of companies have contacted Dexion asking for an appraisal of their storage and materials handling. If only 5 per cent of those inquiries result in contracts the campaign will have proven to be cost effective for the company.

Such benefits only accrue however when a company has the courage to say something controversial in public media and then to back it with substantial funds. It is in this way, too, that companies become recognised as leaders in their industries, with all the benefits that this accords them in terms of the City, recruitment and of course customers.

Terry Grimward is managing director of Euro Advertising.

Building that winning image

The small, 15-strong, creative group at Selfridges, which generates all Selfridges advertising in-house, has just collected five top awards at the annual Retail Advertising Conference in Chicago. The award-winners cover practically the whole range of work done in Oxford Street, from a hard-selling cut price campaign for the main store to tasty image-building work for Miss Selfridge.

Selfridges' total advertising budget this year is £2.5m.

According to Bill James, who heads the Selfridges creative team: "Retail advertising is often considered to be the rough, poor relation in the profession, but there's nothing rough about these advertisements. In fact, we were complimented by the Americans for proving that you don't have to shout to be heard."

Promoting the art of good sponsorship

ALTHOUGH industry spends collectively less than £1m. a year on sponsoring the arts, scarcely a day goes by without another company contributing a little bit more. As an indication of how serious it is all becoming a new PR company has been formed to offer specialist advice to potential sponsors and recipients.

Called Marketing and the Arts it combines the experience of Carl Byoir, one of the largest international PR companies, and Nielsen-Sedgwick, which includes among its directors Alastair Sedgwick, long time head of PR at Gillette, and such artistic luminaries as the pianist Nina Milkina and the writer Elizabeth Jane Howard. Marketing and the Arts aims to ensure that there is some natural affinity between a company and its supported artistic group, and to avoid the "chairman's pet" kind of help which is still quite common. It can also undertake the sifting process—Lloyds Bank receives over 700 requests for aid a year but helps only three on average.

At the launch of the company three happy sponsors contributed case histories—ITT, which keeps it cheap and local, like getting art students to decorate with a mural its new offices in the town: Lloyds Bank, which spends £100,000 a year on the arts a quarter going to the National Youth Orchestra which it claims gets it access to every school in the country: and Booker McConnel which for a very reasonable £15,000 or so, including £10,000 in prize money supports the biggest book prize in the country and pulls in the publicity.

What most aid for the arts lacks is imagination—too many companies commit substantial sums underwriting the big prestige events like London opera. Taunton Cider is following a much more popular path with its £20,000 investment in encouraging art colleges. For the next four weeks the 18,000 passengers a day using the Victoria Line at London's Green Park station will see on the escalators posters depicting "An Image of Rural Britain" rather than underwear ads.

Antony Thorncroft

Success for Welsh seaside campaign

THE IMAGE of Welsh seaside resorts has received a boost as a result of a £250,000 TV and Press promotion launched earlier this year by the Wales Tourist Board. This is the main finding of follow-up research by the Cardiff-based agency Research and Marketing, Wales and the West, into the results of the WTB's most expensive campaign.

The number of respondents who considered resorts in Wales as easy to get to, and as places which appeal to those of all ages increased significantly.

During the campaign, resorts recorded a 25 per cent increase in inquiries compared with the corresponding weeks last year, and the Wales Tourist Board itself received a total of 271,000 inquiries, a record.

The campaign was prompted by concern at the static state of business in the Welsh resorts last year. Fears were expressed that demand for family accommodation at hotels and traditional boarding houses would go into serious decline if nothing was done.

Had it not been for a very sharp increase in the number of Continental visitors to Wales last year, its tourist trade would have suffered a very lean season indeed. The Board has also been following up this particular market with special promotions in Brussels, Berlin and other European centres.

Agents for the resorts TV promotion were Golly Slater and Partners while the Board itself handled the Press Advertising. The split was £150,000 on TV; £100,000 on Press.

The Wales Tourist Board is planning a big follow-up campaign later this year. A campaign beginning in December to promote Wales as an off-season holiday destination will include a budgeted £120,000 worth of TV advertising and £255,000 for national Press. The TV ads will be seen in Yorkshire, the North West, the West Midlands and the South East—four of the most important markets for Welsh holidays. Tourists last year spent an estimated £350m in Wales.

Robin Reeves

Wiggins plays its aces

WIGGINS TEAPE, the paper company, only seriously diversified into the toy trade in January last year but it is quickly becoming a force to be reckoned with. This week it has launched a new range of card games, Sporting Aces and The Muppet Show, which should help boost its first year sales of over £1.5m.

Both games maintain a Wiggins Teape tradition of concentrating on merchandising characters. Two of its greatest successes have been with the Snoopy range and the new Fonzie doll.

The other main specialisation has been boxed games. In 1978 eight new games are appearing, with the emphasis on Samurai, Shing Shang, Obession and Innervision.

Top media director quits to go independent

YET ANOTHER top advertising agency has lost its media director. Hard on the heels of Roger Bowes leaving McCann Erickson for Fleet Street, and Mike Yershon departing from Collett Dickenson Pearce to set up as a media consultant, comes news that John Ayling is quitting Kirkwoods.

Like Yershon, Ayling is going independent, and joining the growing band of media buying operations. However, instead of just advice he expects to provide the full agency media service, with a buying as well as a planning service for advertisers.

Ayling believes that the financial crisis of the early 70s, which led to a cutback in recruitment and training by advertising agencies, has created a shortage of talent. Many of the bright young men went into the marketing companies which increasingly will look to advertising specialists for creative work and for media advice while handling their overall marketing strategy in-house. Ayling believes that the time is right for packaged goods companies to follow the independent route, and he intends to recruit other top agency media men as partners. Ronnie Kirkwood, who has long been alive to the challenge from the independent media shops, hopes to use Ayling's experience as a consultant while he looks around outside for a new media-director.

LOMBARD

Industry's pay dilemma

BY PETER RIDDELL

ONE OF the main objections to the type of incomes policies adopted in the UK in the past 15 years has been the way in which industry's dependence on Government has increased. There has been an ironic ambivalence in company attitudes. Whitehall has been blamed for too much interference and excessively high taxes, while in the same breath businessmen have increasingly looked to Government to hold down the rate of inflation, to ease their liquidity problems and to stabilise sterling. Ministers have precious little actual control over these matters and the increasing dependence has resulted in a weakening of the independent resolve of businessmen themselves.

Flexibility

This is illustrated by industry's dilemma over a continuation of pay restraint beyond Phase Three. On one side, there has been a recognition of the damaging impact on the labour market and the distribution of skilled workers produced by the erosion of pay differentials resulting from three years of an inflexible pay norm. The squeeze on differentials may not have been as large as alleged, but it has clearly been a major reason for the shortage of skilled staff which is now increasingly mentioned in surveys of business opinion. On this view, accepted by the larger companies and the CBI, there should be a return to greater flexibility and independent bargaining between companies and trade unions.

At the same time, however, there is still a strong group in industry which, both privately and openly, favours a continuation of pay controls. On this view, it is necessary to have a formal Government policy with stated norms in order to hold back the flood of runaway inflation. These two strands of thought are often mixed together, which sometimes produces self-contradictory views. This is shown by a new survey among 203 engineering companies throughout the UK which has been carried out by the Manpower organisation.

The survey shows that just over half the companies favour a return to free collective bargaining in August. The remainder believe that a phase four policy should be introduced, and three-quarters of this group say any policy should be mandatory, not voluntary. Most of these companies want the pay limit retained at 10 per cent, although a few would like to see a 5 per cent limit. Most of the companies would prefer any statutory policy to be more flexible within these limits. Smaller companies in particular seek more flexibility to restore differentials while employers of 1,000 or more workers typically prefer a greater flexibility in terms of a company's overall payroll.

The snag is that a desire for a statutory policy with a specific limit is incompatible with a preference for flexibility. This has been the main failure of the last 12 months; the 10 per cent. earnings guideline was intended to be an average figure around which settlements would cluster. Instead, 10 per cent. has become a pretty rigid norm, and no one has yet found a way in which a specific pay guideline can be combined with flexibility—though Mr. Healey would no doubt grateful receive any suggestions.

There is also a more fundamental incompatibility. Many of the engineering companies are effectively asking the Government to fight their battles for them by having an overall statutory policy, while simultaneously asking for individual exemptions for themselves. In the same way earlier this year, large sections of industry sought a lower sterling exchange rate in order to accommodate the increase in its costs resulting from inflation.

Bargaining

But if industry really wants to enjoy the rewards and freedoms it seeks—for example, from price controls—then it will have to accept the associated responsibilities. This means that individual companies will have to stand up to wage claims, which would be met or resisted according to the individual financial position or prospects of the company. This would also involve removing the protection of an overall limit enforced by Government or the cushion of an accommodating exchange rate policy. This does not necessarily remove the need for tripartite discussion about the overall framework of pay policy—not least to ensure some correlation between the public and private sectors. But the actual bargaining should be carried out by employers, in both sectors.

BUSINESS AND THE COURTS

U.S. ANTI-TRUST LAW

Peeping behind the free enterprise curtain

BY PROFESSOR DAVID MARTIN

QUITE APART from any effects on actual business practices, U.S. anti-trust statutes have a definite influence on the flow of information about business. Both the letter of the law and the American ideology of free enterprise capitalism require a far greater degree of decentralisation and independence of business enterprises than may actually exist. The information made public about anything relevant to a potential anti-trust proceeding is therefore strictly limited.

Unlike most other anti-trust and restrictive practices legislation, U.S. law includes provisions for felony prosecutions and private suits for damages in addition to government action to remedy unlawful business structures and practices. Prudence requires that business managers control the flow of information to give the public the appearance that individual companies have the maximum independence of action and are not subject to outside control.

The 1890 Sherman Act made unlawful every combination in the form of trust or otherwise. The statute was aimed at trusts which were combinations of many small corporations whose voting stock was held in trust for the various owners by a board that effectively accomplished centralisation of control of whole industries. Soon after the enactment of that Federal anti-trust statute, the State Legislature of New Jersey enacted liberal incorporation statutes that made possible the conversion of the trusts into holding companies. Whether such a holding company was included within the meaning of "otherwise" in the prohibition of combinations "in the form of trust or otherwise" was eventually answered in the affirmative in 1911 when the Supreme Court ordered the dissolution of the Standard Oil Company of New Jersey that had been created from the Standard Oil Trust. Few people seem to be aware of the fact, however, that the dissolution was accomplished by an arrangement which passed on voting stock in the subsidiaries to holders of voting stock in the holding company. In 1912, therefore, some 30 or more oil companies had identical voting stockholders. What has happened to these holdings since that time is not a matter of public record.

Whether the many legally separate corporations in America are really separate entities or whether they are grouped together into a much smaller number of combinations, is difficult to know because if the fact of combination is made public, quite dire legal consequences may result. The problem is made somewhat more complex by the provisions of the Clayton Anti-trust Act of 1914, which prohibited, in Section 8, interlocking directorates between competing companies and, in Section 7, inter-corporate stockholding that may substantially lessen competition. Section 7 contains a proviso that allows one corporation to own another corporation's voting stock, if it is held, for "investment purposes only." That proviso has never been tested in litigation, but it has served to sanction a great amount of inter-corporate stockholding, particularly by bank trust departments and large insurance companies.

At various times, Congress has investigated such interconnections to try to ascertain whether the trusts have in fact disappeared or whether too much concentration of economic power continues to exist.

In 1898 the Industrial Commission made the first such study. In 1911 the Pujo Committee of the House of Representatives studied "The Money Trusts" and built the basis for the 1914 Clayton Act. In 1937 the National Resources Planning Committee reported on interlocking directors and identified eight dominant financial interest groups. In 1941 the Temporary National Economic Committee further supported the interest group thesis with stockholding information from the files of the Securities and Exchange Commission.

The most recent such studies were conducted by the late Senator Lee Metcalf through his chairmanship of the Accounts and Reports Sub-Committee of the Government Operations Committee. His staff released early this year a report on ownership of voting stock in a sample of over a hundred large corporations and also a study of interlocking directorates. The question of who owns and controls U.S. corporations is perennial and may re-emerge as a political issue at any time.

If the U.S. balance of trade deficits should result in substantially increased ownership of U.S. corporate securities by powerful economic interests outside the country, populist concerns about absentee ownership that have always been strongest in the south and west could spread to the eastern seaboard as well. Senator Metcalf's studies, along with the late Senator Philip Hart's Anti-trust Sub-Committee hearings on an Industrial Reorganisation Bill, may fail to engender any changes in policy. Yet they are keeping alive the long-held suspicion of the populists that the trusts were merely driven underground by the Sherman Anti-Trust Act.

It should not be forgotten either that similar investigations have given rise to legislation—albeit, with some time lag. After the Industrial Commission study, the Anti-Trust Division of the Department of Justice was created. After the Pujo Committee study of the "Money Trusts," the Clayton Act and the Federal Trade Commission Act were passed. After the Temporary National Economic Committee investigations, the Celler-Kefauver Anti-Merger Act was enacted.

The U.S. economy is not as decentralised as it appears, nor is the traditional ideology of competition as dead as it sometimes seems to be.

David Martin is Professor of Business Economics and Public Policy at Indiana University's School of Business.

Shirley Heights snatches memorable Derby win

RACING

BY DOMINIC WIGAN

SHIRLEY HEIGHTS landed a memorable Derby at Epsom yesterday.

Apart from the fact that it was nice to see a home-trained horse back in the winner's enclosure after the world's greatest race, further satisfaction was gained by the fact that the winner gave another tremendous boost to that sire of the moment, Mill Reef.

Only a few days ago the National Stud-based stallion—a stake in whom all taxpayers have—enjoyed another notable triumph when his son, Acamas, overcame all sorts of problems to win the French Derby.

As was the case with Acamas, Shirley Heights' task looked almost insurmountable as they raced down the hill to Tattenham Corner.

It was only well into the home straight that Shirley Heights—coming from further behind than any winner since Psidium in 1961—began to get into top gear. Threading his way through beaten horses, Shirley Heights squeezed through on the inside to literally snatch the spoils from Hawaiian Sound on the post.

Shirley Heights, owned by Lord Halifax, steward of the Jockey Club, and his son, Lord Irwin, is now top-quoted at 7-2 for the season's last classic, the St. Leger.

Turning to today's Epsom programme, I have no hesitation in going for Balmerino in today's Coronation Cup. I believe he is the best middle-distance performer in Europe.

The Arundel six-year-old, who looked a palpably unlucky loser of last autumn's Prix de l'Arc de Triomphe in which Ron Hutchinson left him with far too much to do in the short Longchamp straight, has made two appearances this term.

A respectable three and a half lengths fourth behind Trillion in that French course's Prix Ganay on his seasonal debut, Balmerino came good in no uncertain terms at Goodwood last month.

For the forecast, backers may be best advised to overlook Crow—little more than two lengths behind Balmerino in the "Arc"—and side instead with Trillion's Prix d'Harcourt conqueror, Lester Piggott's mount, Monseigneur.

Whatever his fate in the big race Piggott ought to be able to pay his expenses for he has three other likely looking mounts, Prince Titian, Penny Blessing and Elland Road.

The beautifully bred Penny Blessing, a brown filly by So Blessed out of Pennycuick, a half sister to Mummy's Pet, Arch Sculptor, and Parsimony, did well to run Songorello to a length in a 20-runner maiden event at Newbury on her debut last month. She strikes me as the afternoon's best bet in the five furlongs Acorn Stakes.

SELECTIONS

EPSOM

2.00—Prince Titian
2.35—Penny Blessing***
3.10—Balmerino**
3.40—Elland Road
4.15—Charlottes Choice
4.50—Port Royal*

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office.

OPERA & BALLET

COLISEUM. Credit cards 01-240 5258. Reservations 01-836 3161. Until Sat.: Evgs. 7.30, Mat. Sat. at 3.
STUTTGART BALLET
Ton't, Tomor. & Sat. Ebb Tide, Carmen. 96 balcony seats always available from 10 am day of perf. June 13 to 24: LONDON FESTIVAL BALLET. 13 to 16: Les Sylphides, Greening (new prodn.) Scheherazade.

COVENT GARDEN. CC. 240 1066. (Gardencharge credit cards 836 6903).
THE ROYAL OPERA
Tonight & Tue next 7.30: Falstaff. Tomor 7.30: Rigoletto. Sat. 7.30: Madama Butterfly. Mon next 6.00: Tristan und Isolde. 65 Amphi seats avail for all perfs from 10 am on day of perf.
THE ROYAL BALLET
CHANGE OF PROGRAMME JULY 1978
The Royal Opera House regrets that programme changes have had to be made to accommodate recent plans for the television companies involved in the transmission to the United States of the programme on July 22nd.
The previously announced performances have had to be altered and the revised programme for the week of July 17 is as follows:
MONDAY 17 JULY: FOUR SCHUMANN PIECES/THE FIREBIRD/THE CONCERT
TUESDAY 18 JULY: NORMA
WEDNESDAY 19 JULY: ANASTASIA
THURSDAY 20 JULY: ANASTASIA
FRIDAY 21 JULY: NORMA
SATURDAY 22 JULY: TV Performance (matinee and evening) FOUR SCHUMANN PIECES (replaces Firebird) DIVERTISSEMENTS/ELITE SYNCOPATIONS.
Unfortunately these changes have caused a delay in the return of postal applications and PERSONAL TELEPHONE BOOKINGS FOR JULY BALLET PERFORMANCES WILL NOT NOW OPEN UNTIL JULY 1. Priority allocation for the above performances will be given to postal applications already received. The Royal Opera House greatly regrets these changes and any inconvenience caused.

GLYNDEBOURNE FESTIVAL OPERA. Until Aug. 7 with the London Philharmonic Orchestra. Tonight, Sat. & Wed. next at 5.30: Don Giovanni. Tomorrow & Sun. at 5.30: Die Zauberflöte. Possible returns only. Box office Glyndebourne Lewes, E. Sussex (0273 812411).

SADLER'S WELLS THEATRE. Rosebery Ave., E.C.1. 837 1672. Until 17 June. GONG TAWAN 'Music and dances from Bali.' Evgs. 7.30. Sats. Mats. 2.30.

THEATRES

ADELPHI THEATRE. CC. 01-836 7611. Evgs. 7.30. Mats. Thurs. 3.0. Sats. 4.0
IRENE
THE BEST MUSICAL OF 1976, 1977 and 1978
IRENE
"LONDON'S BEST NIGHT OUT." Sunday People.
ALREADY SEEN BY OVER ONE MILLION HAPPY THEATREGOERS. CREDIT CARD BOOKINGS 836 7611

ALBERY. 836 3878. Party Rates. Credit card bkgs. 836 1971-2 from 8.30 a.m.-8.30 p.m. Mon., Tues., Wed. and Fri. 7.45 p.m. Thurs. and Sat. 4.30 and 8.00. "A THOUSAND TIMES WELCOME IS LIONEL BART'S MIRACULOUS MUSICAL." Fin. Times.
OLIVER
with ROY HUDD and JOAN TURNER. "CONSIDER YOURSELF LUCKY TO BE ABLE TO SEE IT AGAIN." Daily Mirror

ALDWYCH. 836 6404. Info. 836 5332. Theatre fully air conditioned. ROYAL SHAKESPEARE COMPANY in repertoire. To'nt. 7.30 CORIOLANUS. "The strongest clearest and most consistent Shakespeare I have seen anywhere for years." S. Times. With: From 13 June Strindberg's THE DANCE OF DEATH. RSC also at THE WAREHOUSE (see under W) and at The Piccadilly Theatre in Peter Nichols's PRIVATES ON PARADE

ALMOST FREE. 485 6224. "One Of" by Bob Wilson. Tues.-Sat. 1.15 p.m. Suns. 3.00 & 5.00 p.m. No show Mons.

AMBASSADORS. 01-836 1711. Nightly at 8.00. Mat. Wed. 2.45. PATRICK CARGILL and TONY ANHOLT in SLEUTH. The World-famous Thriller by ANTHONY SHAFFER. "Seeing the play again is in fact an utter and total joy." Punch. Seat Prices: £2.00 to £4.40. Dinner and Top-Price Seat £7.50.

APOLLO. 01-437 2663. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.00 and 8.00. DONALD SINDEN "Actor of the Year." Ev. Standard. "IS SUPERB." N.o.W. SHUT YOUR EYES AND THINK OF ENGLAND. "Wickedly funny." Times.

ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN. "Hilarious . . . see it." Sunday Times. Monday to Thursday 8.30. Friday and Saturday at 7.00 and 9.15.

ASTORIA THEATRE, Charing X Rd (with fully licensed Restaurant). 01-734 4291. Nearest tube Tottenham Court Rd. Mon.-Thurs 8.00 p.m. Fri. & Sat. 6.00 & 8.45. Instant credit card booking. ELVIS. "Infectious, appealing, foot-stomping and heart-thumping." Observer. ELVIS. Seat prices £1.50-£5.50. Dinner-top-price seat £8.50. Half-hour before show any available top-price tickets £2.50. Mon.-Thurs. and Fri. 6.00 p.m. perform only. BEST MUSICAL OF THE YEAR EVENING STANDARD AWARD

CAMBRIDGE. 836 6056. Mon. to Thurs. 8.00. Friday, Saturday 5.45 and 8.30. IPI TOMBI. Exciting Black African Musical. "The girls are beautiful, bare and bouncing." S. Mirror. THIRD GREAT YEAR. Dinner and top-price seat £8.75 incl.

CHICHESTER. 0243 81312. Today at 2.00, June 9 & 10 at 7.00. THE INCONSTANT COUPLE. Tonight at 7.00, June 10 at 2.00. A WOMAN OF NO IMPORTANCE

COMEDY THEATRE. 01-930 2578. For a Ltd. engagement June 20 to July 16. ALEC McCOWEN'S ST. MARK'S GOSPEL. "An unparalleled tour de force." S.Tms. Tues. to Sat. at 8.00. Sun. at 4.30. No pfs. Mondays. Tickets £1.25 to £3.00.

COMEDY. 01-930 2578. Evenings 8.0. Mat. Thurs. 3.0. Sat. 5.30 & 8.30. MOIRA LISTER, TONY BRITTON, Margaret COURTENEY, Dermot WALSH. THE HIT COMEDY THRILLER MURDER AMONG FRIENDS. "Blackmail, armed robbery, double bluff and murder." Times. "A good deal of fun." Evening News.

CRITERION. Credit Cards. 930 3216. Evenings 8.0. Sats. 5.30, 8.30. Thurs. 3.0. NOW IN ITS SECOND YEAR. LESLIE PHILLIPS in SIX OF ONE. "VERY FUNNY." Sun. Tel. SECOND HILARIOUS YEAR.

DRURY LANE. 01-836 8108. Every night 8.00. Matinee Wed. and Sat. 3.00. A CHORUS LINE. "A rare devastating, joyous astonishing stunner." Sunday Times.

DUCHESS. 836 8243. Mon. to Thurs. Evenings 8.00. Fri., Sat. 6.15 and 9.00. OH! CALCUTTA! "The Nudity is stunning." Daily Tel. 8th Sensational Year.

DUKE OF YORK'S. 01-836 5122. Evenings 8.00. Mat. Wed., Sat. 3.00. JOHN GIELGUD in Julian Mitchell's HALF-LIFE. A NATIONAL THEATRE PRODUCTION. "Brilliantly witty . . . no one should miss it." Harold Hobson (Drama). Instant credit card reservations. Dinner and top-price seat £7.00.

FORTUNE. 836 2238. Evs. 8.00. Thurs. 3. Sat. 5.00 and 8.00. Muriel Pavlow as MISS MARPLE in AGATHA CHRISTIE'S MURDER AT THE VICARAGE. Third Great Year.

GARRICK THEATRE. CC. 01-836 4601. Evs. 8.0. Mat. Wed. 3.0. Sat. 5.30, 8.30. TIMOTHY WEST, GEMMA JONES, MICHAEL KITCHEN in HAROLD PINTER'S THE HOMECOMING. "BRILLIANT—A TAUT AND EXCELLENTLY ACTED PRODUCTION." D. Tel. "AN INEXHAUSTIBLY RICH WORK." Gdn. "NOT TO BE MISSED." Times.

GLOBE THEATRE. 01-437 1592. Evs. 8.15. Wed. 3.0. Sat. 6.0, 8.40. PAUL EDDINGTON, JULIA McKENZIE, BENJAMIN WHITROW in ALAN AYCKBOURN'S New Comedy TEN TIMES TABLE. "This must be the happiest laughter-maker in London." D. Tel. "An irresistibly enjoyable evening." Sunday Times.

GREENWICH THEATRE. 858 7755. Evenings 7.30. Mats. Sats. 2.30. THE ACHURCH LETTERS. A play by Don Taylor. "Sara Kestelman is superb as Achurch . . . Julian Curry is a splendid Shaw." FT. From June 13 THE GOLDEN CRADLE. Plays by Yeats, Synge and Lady Gregory.

HAYMARKET. 930 9832. Evs. 8. Wed. 2.30. Sat. 4.30, 8. INGRID BERGMAN, WENDY HILLER, DEREK GODFREY, DORIS HARE, FRANCIS CUKA in WATERS OF THE MOON. Must definitely close July 1. Box office now open for our new production. Pvs. July 4 and 5 at 8.0. Opens July 6 at 7.0. PAUL SCOFIELD, HARRY ANDREWS, ELEANOR BRON, TREVOR PEACOCK and IRENE HANDL in A FAMILY.

HER MAJESTY'S. CC. 01-930 6606. Evenings 8.00. Mats. Wed. & Sat. 3.00. BRUCE FORSYTH in LESLIE BRICUSSE and ANTHONY NEWLEY'S TRAVELLING MUSIC SHOW with Derek Griffiths. Directed by BURT SHEVELOVE. "It is packed to bursting point with the personality and sheer energy of Bruce Forsyth." Sun. Express. "The audience cheered." Sunday Telegraph.

KING'S ROAD THEATRE. 352 7488. Mon. to Thurs. 9.0. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW. NOW IN ITS 5th ROCKING YEAR. THE GREAT ROCK 'N' ROLL MUSICAL.

LONDON PALLADIUM. CC. 01-437 7373. Mon., Tues., Thurs. and Fri. at 8. Wed. and Sats. at 6.10 and 8.50. THE TWO RONNIES in a Spectacular Comedy Revue. ALSO SPECIAL SUNDAY PERFS. Sundays June 25 and July 16 at 6 & 8. Special Booking Hotline 01-437 2055.

LYRIC THEATRE. CC. 01-437 3686. Ev. 8.0. Mat. Thurs. 3.0. Sat. 5.0 & 8.30. JOAN PLOWRIGHT, COLIN BLAKELY in FILUMENA.

MAY FAIR. C.C. 629 3036. Evgs. 8.00. Sat. 5.30 and 8.45. Lst. 2 Wks. GORDON CHATER "Brilliant." E.N. in THE ELOCUTION OF BENJAMIN FRANKLIN by Steve J. Spears. "compassionate, funny, fiercely eloquent play." Gdn. "Hilarious." E. Std. "Wickedly amusing." E. News. "Spellbinding." Obs.

MERMAID. 248 7656. Restaurant 248 2835. Wed. to Sat. 8.30. Mats. Wed., Fri. and Sat. at 5.45. Last week. TOM CONTI, JANE ASHER in WHOSE LIFE IS IT ANYWAY. Transfer to Savoy June 13. Alec McCowen's ST. MARK'S GOSPEL (Sun. at 7.30 p.m. all seats sold). Prev. June 13. Opens June 14. Subs. 7.30 and 9.15. EVERY GOOD BOY DESERVES FAVOUR. A Piece for Actors and Orchestra by TOM STOPPARD & ANDRE PREVIN. Seats £4, £3, £2.

NATIONAL THEATRE. 928 2252. OLIVIER (open stage): Today 2.45 (red pr mat) & 7.30 MACBETH. Tomor 7 (note early start) Brand. LYTTELTON (proscenium stage): Ton't & Tomor 7.45 PLENTY a new play by David Hare. COTTESLOE (small auditorium): Ton't 8 LOST WORLDS by Wilson John Haire. Tomor 8 Don Juan Comes Back From The War. Many excellent cheap seats all 3 theatres day of perf. Car park. Restaurant 928 2033. Credit card bkgs. 928 3052. Air Conditioning.

OLD VIC. 928 7616. May-29 June 3. INTERNATIONAL SEASON. The International Turkish Players in The Turkish Clogs by Necati Cumali. A musical comedy in English based on a Turkish classic. Today at 2.30 & 7.30. PROSPECT AT THE OLD VIC. A Week of Sundays June 11-17. Isla Blair, Julian Glover, Harold Innocent, Derek Jacobi, John Rowe, Prunella Scales, Timothy West, Timothy West as Sydney Smith in Smith of Smiths. The Grand Tour. Derek Jacobi as Byron in The Lunatic, The Lover & The Poet.

OPEN AIR, Regent's Park. Tel. 486 2431. A MIDSUMMER NIGHT'S DREAM. Evgs. 7.45. Mats. Wed., Thurs. & Sat. 2.30 with RULA LENSKA, IAIN TALBOT, ELIZABETH ESTENSEN, DAVID WESTON, HELEN WEIR, ANTHONY SHARP.

PHOENIX. 01-836 2294. Evenings 8.15. Friday and Saturday 6.00 and 8.40. "TIM BROOKE TAYLOR, GRAEME GARDEN makes us laugh." D. Mail, in THE UNVARNISHED TRUTH. The Hit Comedy by ROYCE RYTON. "LAUGH, WHY I THOUGHT I WOULD HAVE DIED." Sunday Times. "SHEER DELIGHT." E. Standard. "GLORIOUS CONTINUOUS LAUGHTER." Times.

PICCADILLY. 437 4506. Credit Card bkgs. 836 1971-3. 8.30 a.m.-8.30 p.m. Evgs. 7.30. Sat. 4.30 & 8. Wed. mats. 3.0. Royal Shakespeare Company in THE OUTRAGEOUS ADULT COMEDY by Peter Nichols PRIVATES ON PARADE. "Riproaring triumph." S. Express. BEST COMEDY OF THE YEAR. Ev. Std. Award and S.W.E.T. Award. FULLY AIR-CONDITIONED.

PRINCE EDWARD. CC. 01-437 6877. Red. price prevs. June 12, 13 and 20 at 8.0. June 17 5.30 and 8.30. Opens June 21. EVITA.

PRINCE OF WALES. CC. 01-930 8681. Monday to Friday at 8 p.m. Saturdays at 5.30 and 8.45. LONDON AND BROADWAY'S COMEDY MUSICAL HIT I LOVE MY WIFE starring ROBIN ASKWITH. "ALL JUST GOOD CLEAN FUN." Daily Express. CREDIT CARD BOOKINGS 930 0847.

QUEEN'S THEATRE. CC. 01-734 1166. Evgs. 8.00. Wed. 3.00. Sat. 5.0, 8.30. ANTHONY QUAYLE, FAITH BROOK, MICHAEL ALDRIDGE and RACHEL KEMPSON in ALAN BENNETT'S THE OLD COUNTRY. BEST PLAY OF THE YEAR. Plays and Players London Critics Award. Directed by CLIFFORD WILLIAMS.

RAYMOND REVUEBAR. CC 01-734 1593. At 7 p.m., 9 p.m., 11 p.m. (open Suns.) PAUL RAYMOND presents THE FESTIVAL OF EROTICA. Fully air-conditioned. 21st SENSATIONAL YEAR.

REGENT THEATRE. 637 9862. Evgs. 8.30. Fri. and Sat. 7.0 and 9.0. "Elegant, good humoured swinging." Gdn. THE CLUB. A New Musical. "Caustic and Comic." Times. "Show scores in songs." D. Tel. "Linda Thorsen . . . a revelation." Times. "WELCOME TO THE CLUB." E.N.

ROYALTY. Credit Cards. 01-405 8004. Monday-Thursday evenings 8.00. Friday 5.30 and 8.45. Saturdays 3.00 and 8.00. London critics vote BILLY DANIELS in BUBBLING BROWN SUGAR. Best Musical of 1977. Bookings accepted. Major credit cards. Special reduced rate for matinees for a limited period only.

ROYAL COURT. 730 1745. Tonight & Tomor at 7 & 9.30 Lucinda Childs, Robert Wilson in I WAS SITTING ON MY PATIO THIS GUY APPEARED I THOUGHT I WAS HALLUCINATING. Previews from 14 June Flying Blind by Bill Morrison.

SAVOY THEATRE. 01-836 8888. Opening June 15. TOM CONTI in WHOSE LIFE IS IT ANYWAY? with JANE ASHER. "A MOMENTOUS PLAY, I URGE YOU TO SEE IT." Gdn. Evs. at 8.0. Fri. and Sat. 5.45 and 8.45.

SHAFTESBURY. CC. 836 6596. Shaftesbury Ave WC2 (High Holborn end). Evs. at 8.00. Mat. Tues. and Sat. 3.00. JOHN REARDON and JOAN DIENER in KISMET. "A SMASH HIT. THIS MUSICAL HAS EVERYTHING." S. Mirror. CREDIT CARD BOOKINGS 836 6597.

SHAW THEATRE. 01-388 1394. Prevs. Tomorrow and Sat. 7.30. ALL SEATS £1. Opens June 12 at 7.00. Subs. Evs. 7.30. I'M TALKING ABOUT JERUSALEM by ARNOLD WESKER.

STRAND. 01-836 2660. Evenings 8.00. Mat. Thurs. 3.00. Saturdays 5.30 & 8.30. NO SEX PLEASE—WE'RE BRITISH. THE WORLD'S GREATEST LAUGHTER MAKER. GOOD SEATS £4.00-£1.50.

ST. MARTIN'S. CC. 836 1443. Evs. 8.00. Matinee Tues. 2.45. Saturdays 5 and 8. AGATHA CHRISTIE'S THE MOUSETRAP. WORLD'S LONGEST RUN. 26th YEAR.

TALK OF THE TOWN. CC. 734 5051. 8.00. Dining, Dancing (Bars open 7.15). 9.30 Super Revue RAZZLE DAZZLE and at 11 p.m. LOS REALES DEL PARAGUAY.

VAUDEVILLE. 836 9988. CC. Evs. 8.00. Mat. Tues. 2.45. Sat. 5 and 8. Dinah SHERIDAN, Dulcie GRAY, Eleanor SUMMERFIELD, James GROUT in A MURDER IS ANNOUNCED. THE NEWEST WHODUNNIT by AGATHA CHRISTIE. "Re-enter Agatha with another whodunnit hit. Agatha Christie is stalking the West End yet again with another of her fiendishly ingenious murder mysteries." Felix Barker, Evening News. AIR-CONDITIONED THEATRE.

VICTORIA PALACE. Book now. 828 4735-6. 834 1317. STRATFORD JOHNS, SHEILA HANCOCK. "London Loves" ANNIE. Evs. 7.30. Mats. Wed. and Sat. 2.45.

WAREHOUSE. Donmar Theatre, Covent Garden. 836 6808. Royal Shakespeare Company. TONIGHT 7.00 David Rudkin's THE SONS OF LIGHT. "Sheer poetic energy." Guardian. All seats £1.80. Adv. bkgs. Aldwych. Student Standby £1.

WESTMINSTER. 01-834 0283. SENTENCED TO LIFE by MUGGERIDGE and THORNHILL. "TRENCHANT HUMOUR." D. Telegraph. "SHARPLY TOPICAL." Financial Times. "Tremendous impact." Now. Evs. 7.45. Mat. Weds. 3.30. Sat. 4.30.

WHITEHALL. 01-930 6692-7765. Evs. 8.30. Fri. and Sat. 6.45 and 9.00. Paul Raymond presents the Sensational Sex Revue of the Century DEEP THROAT due to overwhelming public demand season extended.

WINDMILL THEATRE. CC. 01-437 6312. Twice Nightly 8.00 and 10.00. Sundays 6.00 and 8.00. PAUL RAYMOND presents RIP OFF. THE EROTIC EXPERIENCE OF THE MODERN ERA. "Takes to unprecedented limits what is permissible on our stage." Evg. News. 3rd GREAT YEAR.

WYNDHAM'S. 01-836 3028. Credit Card Bkgs. 836 1071-2 from 8.30 a.m. to 8.30 p.m. Mon.-Thurs. 8. Fri. and Sat. 5.15 and 8.30. "ENORMOUSLY RICH VERY FUNNY." Evening News. Mary O'Malley's smash hit Comedy ONCE A CATHOLIC. "Supreme comedy on sex and religion." Daily Telegraph. "MAKES YOU SHAKE WITH LAUGHTER." Guardian.

YOUNG VIC (near Old Vic). 928 6363. Prevs. from June 15. Eves. 7.45. Ben Jonson's BARTHOLOMEW FAIR.

CINEMAS

ABC 1 & 2 Shaftesbury Ave. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1: GRAY LADY DOWN (A). Wk. & Sun. 2.00, 5.20, 8.20 (last 7 days). 2: THE GOODBYE GIRL (A). Wk. & Sun. 2.00, 5.10, 8.10.

CAMDEN PLAZA (opp. Camden Town Tube). 485 2443. Brigitte Fossey in LES ENFANTS DU PLACARD (AA). 5.00, 7.00, 9.05. FINAL WEEK. MUST END 15 JUNE.

CLASSIC 1, 2, 3, 4, Oxford Street (opp. Tottenham Court Rd tube). 636 0310. 1. Alan Bates, Susannah York, THE SHOUT (AA). Progs. 2.30, 4.35, 6.40, 8.45. (Late show 11 p.m.) 2. THE GODFATHER PART II (X). Progs. 3.00, 6.50, feature 3.25, 7.15. Late show 11 p.m. TEXAS CHAIN SAW MASSACRE (X-GLC). 3. Walt Disney's JUNGLE BOOK (U). WAHOO BOBCAT (U). Progs. 1.30, 3.45, 6.00, 8.20. Late show 11 p.m. Warren Beatty, Julie Christie SHAMPOO (X). 4. Bertolucci's 1900 Part 1 (X). Progs. 2.15, 5.15, 8.15. Late show 11.15 1900 Part 2 (X).

CURZON, Curzon Street, W.1. 499 3737. PARDON MON AFFAIRE (X). (English sub-titles). Progs. at 1.50 (not Sun.), 3.55, 6.10 and 8.30. LAST 7 DAYS. Fully air conditioned comfort.

LEICESTER SQUARE THEATRE. 930 5252. COMING HOME (X). Sep. progs. Mon.-Sat. 1.30, 4.45, 8.10. Sun. 3.30, 7.45. Late show Fri. & Sat. 11.45 p.m. Seats may be booked in advance for 8.10 prog. Mon.-Fri. & all progs. Sat. & Sun. No late show booking.

ODEON, Haymarket. (930 2738-2771.) Jane Fonda, Vanessa Redgrave in a Fred Zinnemann film JULIA (A). Sep. progs. Dly. 2.30, 5.45, 8.45. Feature Dly. 2.45, 6.00, 9.00. All seats bkble. at theatre.

ODEON, Leicester Square. 930 6111. CLOSE ENCOUNTERS OF THE THIRD KIND (A). Sep. progs. dly. Doors open 1.05, 4.15, 7.45. Late show Fri. and Sat. Doors open 11.15 p.m. All seats may be booked.

ODEON, Marble Arch. 723 2011-2. THE BETSY (X). Sep. progs. Mon.-Sat. 1.30, 4.45, 8.15. Sun. 3.30, 7.30. Late show Fri. and Sat. 11.45 p.m. All seats bkble. except 1.30 perf. Mon.-Sat.

PRINCE CHARLES, Leic. Sq. 437 8181. MEL BROOKS HIGH ANXIETY (A). Sep. Perfs. Dly. (inc. Sun.) 2.45, 6.15, 9.00. Late Show Nightly 11.45. Seats Bookable. Licensed Bar.

Radio

† Indicates programme in black and white.

BBC 1

6.40-7.55 am Open University. 9.38 For Schools, Colleges. 1.20 pm On The Move. 1.30 Chigley. 1.45 News. 2.00 You and Me. 3.53 Regional News for England (except London). 3.55 Play School. (As BBC 2 11.00 am). 4.20 Sinbad and the Sultan of the Seas told by Paul Jones. 4.30 Heads and Tails. 4.45 Laff-a-Lympics. 5.05 Blue Peter. 5.35 Roobarb.
5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
7.00 World Cup Report.
7.30 Tomorrow's World.
7.55 Top of the Pops.
8.30 Rosie.
9.00 Party Political Broadcast by the Conservative Party.
9.10 News.
9.35 I, Claudius (BBC prize-winning artists and shows).
11.15 Tonight.
11.55 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—1.30-1.45 pm Mr. Benn. 4.45 Crystal Tipps and Alistair. 4.50-5.05 Y Llewod a Mistar Mostyn. 5.55-6.20 Wales Today. 11.55 News and Weather for Wales.

Scotland—5.55-6.20 pm Reporting Scotland. 11.56 News and Weather for Scotland. 11.58-12.23 am Bonn Comhraidh.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.55 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.55 Open University.
7.00 News on 2 Headlines.
7.05 The Engineers.
7.30 Newsday.
8.05 Gardeners' World.
8.30 In Deepest Britain.
9.00 Party Political Broadcast by the Conservative Party.
9.10 Midweek Cinema: Carousel starring Gordon MacRae and Shirley Jones.
11.15 The Sky at Night.
11.35 Late News on 2.
11.45-12.00 Music at Night with Mabel Mercer, part 1.

BBC 2 Wales only—7.05-7.30 pm Heddiw, topical magazine. 11.45-12.10 am The Engineers.

LONDON

9.30 am Schools programmes. 11.40 Kimba. 12.00 Gammon and Spinach. 12.10 pm Stepping Stones. 12.30 News plus FT index. 12.58 Help! 1.00 World Cup '78 and Epsom Racing. 3.50 The Sullivans. 4.20 Little House on the Prairie. 5.15 World Cup '78. 5.45 News.
6.00 Thames at 6.
6.50 Crossroads.
7.15 Oh No, It's Selwyn Froggitt.
7.45 Best Sellers (continuing the story from Sunday June 4).
9.30 This Week.
10.00 Party Political Broadcast by the Conservative Party.
10.10 News.
10.40 "Helter Skelter" (part 2 of this film will be shown during London Weekend Television's time on Friday June 9).
12.25 am What The Papers Say.
12.40 Close: A painting by Rembrandt with music by Beethoven.

All IBA Regions as London except at the following times:—

ANGLIA

12.58 pm Anglia News. 4.20 Rocket Robin Hood. 4.45 Emmerdale Farm. 6.00 About Anglia. 6.35 Arena. 7.15 Enterprise. 12.25 am The Living Word.

ATV

12.50 pm ATV Newsdesk. 4.20 20,000 Leagues Under the Sea. 6.00 ATV Today. 7.15 Emmerdale Farm.

BORDER

12.50 pm Border News. 4.20 Code R. 6.00 Lookaround Thursday. 6.30 The Flintstones. 7.15 Emmerdale Farm. †12.25 am Border News Summary.

CHANNEL

12.48 pm Channel Lunchtime News and What's On Where. 6.00 Channel News. 6.10 Cartoontime. 7.15 Mr. and Mrs. 10.00 Vision USA. 10.38 Channel Late News. 12.20 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 12.55 pm Grampian News headlines. 6.00 Grampian Today. 7.15 Mr. and Mrs. 12.25 am Reflections. 12.30 Grampian Late Night headlines.

GRANADA

11.30 am Clue Club. 12.50 pm This Is Your Right. 5.10 What's New? 5.15 Crossroads. 6.00 Granada Reports. 6.30 What's On. 7.15 Emmerdale Farm. 12.25 am What the Papers Say.

HTV

11.45 am Betty Boop. 12.50 pm Report West headlines. 12.55 Report Wales headlines. 3.50 Women Only. 4.20 Children in 1944. 4.45 The Flintstones. 5.20 Crossroads. 6.00 Report West. 6.22 Report Wales. 7.15 Mr. and Mrs.

HTV Cymru/Wales—As HTV General Service except: 12.50-12.55 pm Penawdau Newyddion Y Dydd. 4.20 Miri Mawr. 4.35-4.45 Seren Wib. 6.00-6.22 Y Dydd.

HTV West—As HTV General Service except: 12.50-1.00 pm Report West headlines. 6.22-6.45 Sport West.

SCOTTISH

12.50 pm News and Road Report. 5.15 The Bubbles. 5.20 Crossroads. 6.00 Scotland Today. 6.15 Garnock Way. 12.25 am Late Call.

SOUTHERN

12.50 pm Southern News. 4.20 Dynomutt the Dog Wonder. 4.45 The Lost Islands. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 6.45 University Challenge. 7.15 Emmerdale Farm. 12.25 am Southern News Extra.

TYNE TEES

9.25 am The Good Word followed by North East News headlines. 12.50 North East News and Lookaround. 6.00 Northern Life. 7.15 Emmerdale Farm. 12.30 am Epilogue.

ULSTER

12.50 pm Lunchtime. 4.18 Ulster News headlines. 6.00 Reports. 6.20 Happy Days. 7.15 Emmerdale Farm. 12.25 am Bedtime.

WESTWARD

11.37 am Skippy. 12.27 pm Gus Honeybun's Birthday. 12.50 Westward News headlines. 6.00 Westward Diary. 7.15 Mr. and Mrs. 10.38 Westward Late News. 12.20 am Faith for Life.

YORKSHIRE

12.50 pm Calendar News. 6.00 Calendar (Emley Moor and Belmont editions). 7.15 Emmerdale Farm.

RADIO 1 247m

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.02 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett including 12.30 pm Newsbeat. 2.00 Tony Blackburn. 4.31 Kid Jensen including 5.30 Newsbeat. 7.30 Country Club (S) (joins Radio 2). 10.02 John Peel (S). 12.00-2.02 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2, including 1.55 pm Good Listening. 10.00 With Radio 1. 12.00-2.02 am With Radio 2.

RADIO 2 1,500m and VHF

5.00 am News Summary. 5.02 Ray Moore (S) with The Early Show, including 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.27 Racing Bulletin, 8.45 Pause for Thought and 9.30 Cricket—The Benson and Hedges Cup (semi-final draw). 10.02 Colin Berry (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S) including 1.45 Sports Desk. 2.30 David Hamilton (S) including Racing from Epsom and 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 John Dunn (S) including 5.45 Sports Desk and 6.02 Cross-Channel Motoring Information. 6.33 World Cup Sports Desk. 7.02 Country Club (S) including 7.30 Sports Desk. 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 Wit's End. 10.30 Star Sound Extra. 11.02 Brian Matthew introduces Round Midnight, including 12.00 News. 2.00-2.02 am News Summary.

RADIO 3 464m, Stereo & VHF

‡ Medium Wave only

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Schumann (S). 9.45 New Zealand Dorian Choir, part 1 (S). 10.25 In Short (talk). 10.35 New Zealand Dorian Choir, part 2 (S). 11.30 Mahler and Lutoslawski concert, part 1 (S). 11.55 Interval Reading. 12.00 Concert, part 2. 1.00 pm News. 1.05 Clarinet, Violin and Piano recital, part 1: Stravinsky, Brahms (S). 1.45 Words . . . 1.50 Clarinet, Violin and Piano part 2: Brahms, Bartok (S). 2.40 Organ and Harpsichord recital (S). 4.05 Youth Orchestras of the World (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: The Wider World. 7.30 BBC Welsh Symphony Orchestra part 1: Jones, Mozart (S). 8.15 The Managerial Crisis (talk by Elliott Jacques). 8.35 BBC Welsh SO part 2: Beethoven (S). 9.20 Drama Now (S). 10.15 Alkan piano recital (S). 11.05 Songs for Evening by Berkeley, Tate, Musgrave (S). 11.35 News. 11.40-11.45 Tonight's Schubert Song (S).

Radio 3 VHF only—6.00-7.00 am, 5.45-7.30 pm Open University.

RADIO 4

434m, 330m, 285m and VHF

6.15 am News. 6.17 Farming Today. 6.35 Up to the Hour including news headlines, weather, papers, sport, and Prayer for the Day. 7.00 News. 7.10 Today. 7.35 Up to the Hour (continued). 8.00 News. 8.10 Today. 8.35 Yesterday in Parliament. 9.00 News. 9.05 These You Have Loved. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Down Your Way visits Epsom Racecourse. 11.45 Closed World of Love. 12.00 News. 12.02 pm You and Yours. 12.27 Many A Slip. 12.55 Weather; programme news. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour, including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.10 Questions to the Prime Minister "live" from the House of Commons. 3.35 Wildlife. 4.00 News. 4.05 Jack de Manio Precisely. 4.35 Story Time. 5.00 PM Reports. 5.40 Serendipity. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain 1978. 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 The Prince of Dandies: A Bicentenial Portrait of Beau Brummell (S). 8.30 John Ebdon with the BBC Sound Archives. 8.45 Analysis. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

206m and 94.9 VHF

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Soul 78. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time from the House of Commons. 1.05 Close: As Radio 2.

London Broadcasting

261m and 97.3 VHF

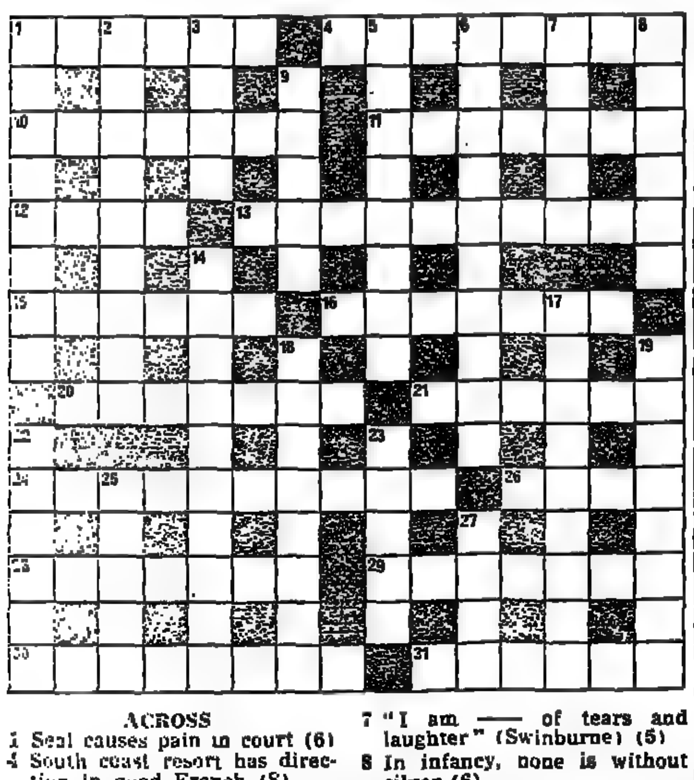
5.00 am Morning Music. 6.00 AM: non-stop news, information, travel, sport and review. 10.00 Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale's 3 o'clock Call. 4.00 LBC Reports (continues). 8.00 After Eight with Ian Gilchrist. 9.00 Nightline with Bryn Jones. 1.00 am Night Extra with Adrian Scott.

Capital Radio

194m and 95.8 VHF

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,687



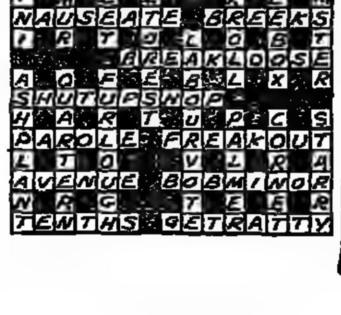
ACROSS

1 Seal causes pain in court (6)
4 South coast resort has direction in good French (8)
10 Get on in a month with a ruler (7)
11 Went quickly after an unpunctual start and restored the papal state (7)
12 The responsibility we clearly have to bear (4)
13 Dalmatian dessert (7,3)
15 Aircraft comes in before the royalist exile (6)
16 Hieroglyphic keystone (7)
20 In one way quite an old relic (7)
21 You'll find me round the river—there is no trick in it (6)
24 Get your fur—it's cold in the Communist country (10)
26 Poet has an order for a retired artist (4)
28 Master returns to Heather in the country (7)
29 Approval from Archbishop in the back stalls (7)
30 Precipitate action she dared to modify (4,4)
31 Did without the spring colour (6)

DOWN

1 Comparatively vulgar and no scholar (8)
2 The military commander must be quite an old man (9)
3 A river found in the Bronx area (4)
5 What a recital—keep it in the family (8)
6 Collected profit to include the Russian (8,2)
7 "I am —— of tears and laughter" (Swinburne) (5)
8 In infancy, none is without silver (6)
9 Money tokens—you have no chance if you've had them (5)
14 Birch Linda for ruining my bright idea (5-5)
17 How to serve lobster—you need a month for it (9)
18 Spirit in stirred tea—think about it (8)
19 Feature a good man in bed in Kent (8)
22 City district hide-out—that takes the cake (6)
23 Mistakes that can catch you out (5)
25 Particulars show it on the river (5)
27 Doctor goes about in the morning with an umbrella (4)

Solution to Puzzle No. 3,686



هكذا من الأصل

Sadler's Wells

Gong Sawan

A *Gong* is an ensemble of Balinese musicians and dancers; Sawan the district from which the troupe currently at the Wells originates. The interest for the Western observer lies, I suppose, not only in the clangour of the music and the flickering, posing hands of the danseuses, but in the fact of a regional group suitable to export as worthy exponents of a nation's art. Could this island do the same?

Gong Sawan offers little that is novel in the way of dance or sonority, but for admirers of Balinese art and music there is an orchestra of 29 pieces, whose instruments are as beautiful to look at as they are to hear—the gong-player, hemmed in by his gongs, seems to live inside his golden cage. The dancers are more mature than the reed-slim children we have sometimes seen in the past, but their costumes are as magnificent as ever, and a dragon appears (two-manned and glittering with looking-glass and *tremblant* gold flowers) as beguiling as anything from *The Magic Roundabout*.

Very wisely each item is introduced with a short explanation—the programme is uncommunicative about performers, though copious in notes about the instruments—and I learned that we were privileged to see one of Bali's greatest musicians and dance-teachers; his solo with the orchestra was sonorously rich. An evening for devotees, but by no means unrewarding for anyone prepared to seek the rewards of the out-of-the-way.

CLEMENT CRISP

Trevor Humphries

A dancer from Gong Sawan in North Bali

Record Review

The Pearl Fishers

by RONALD CRICHTON

Bizet. Les Pêcheurs de perles. Cotrubas, Vanzo, Sarabia, Soyer/Paris Opéra Cho. and Orch./Pretre. 2 records in box. EMI SLS 5113. Cassette TC 5113. £7.95.

Donizetti. La favorita. Cossotto, Cotrubas, Pavarotti, Bacquier, Ghiaurov/Chor. and Orch. of Teatro Comunale Bologna/Bonynge. 3 records in box. Decca D96D. Cassette K96K-33. £11.95.

Bellini. Norma. Callas, Stignani, Filippeschi, Rossi-Lemeni/Chor. and Orch. of La Scala/Serafin. 3 records in box. EMI SLS 5115. Cassette TC 5115. £8.95.

Bizet's *Les Pêcheurs de perles*, even by the composer's warmest admirers, can hardly be placed in the first class with his *Carmen*. Yet it is a lovely and lovable opera, high in the second rank in spite of inequalities and a fustian story. It never disappeared from the repertory even when French opera was widely neglected. Of course the tenor and soprano arias, admirable examples of Bizet's melodic genius, and still more the tenor-baritone duet, have helped by remaining in the gramophone catalogues. Most opera-lovers who are also modest record collectors, must have early memories of, say, Rogatchewsky singing Nadir's Romance "Je crois entendre encore," Vallin singing Leïla's Cavatina "Comme autrefois dans la nuit sombre," or Gigli and De Luca superb in "Au fond due temple saint."

There are in the composer's lyrical, pastoral manner, with some of Gounod's sweetness but a strong vein of Bizet's own particular, plangent Mediterranean quality, which was adaptable without great difficulty to the Cylonese setting — they remind this reviewer of Edward Lear's water-colours of Ceylon and India, but to tell the truth, the exoticism is only skin-deep. What one forgets until one hears the whole opera again is that much of the score is energetic, even violent, the two moods setting one another off very effectively. This is an "authentic" version, with Bizet's original ending in the place of the alternative by Benjamin Godard which for so long usurped it. There is also the first version of the tenor-baritone duet — a doubtful gain, since it tails off into a waltz as unsuitable as anything in Verdi's *Due Foscari*.

Though the soprano Leïla, an unreliable, over-susceptible priestess of Brahma, has plenty to sing, the opera is made by the tenor Nadir and the baritone Zurga, old friends but rivals for Leïla's affections. Alain Vanzo, at last coming into his own as a tenor of international rank, is an excellent Nadir, stylish and secure in the lyrical, strong in the dramatic music. He is least satisfying in the off-stage "De mon amie" when Nadir is stealthily approaching Leïla for a guilty nocturnal rendez-vous. Unfortunately for any subsequent singer, Reynaldo Hahn, who wasn't a tenor and had only a thread of a voice, made a now ancient and crackly recording of this piece with piano, but his artistry (aided in this case, no doubt, by mixed Jewish and Venezuelan-Spanish ancestry) enabled this genial musician to give, in a primitive recording studio, an account of the song which for subtle sadness few operatic singers of any period could equal.

Zurga is sung by the Mexican Guillermo Sarabia, a versatile, highly promising, artist whom we shall presumably, in the wake of West Germany, the Met and La Scala, be allowed eventually to hear at Covent Garden. Leïla

Book Reviews are on Page 31

is Ileana Cotrubas, as ever charming and distinguished, using her veiled quality to much effect but sometimes leaving one hungry for the true, clear French sound. The High Priest Nourabad is taken by the reliable Roger Soyer. The performance as a whole, with the Paris Opera Chorus and Orchestra conducted by Georges Pretre, is acceptable in spite of signs of the slack ensemble which sometimes afflicts performances of French opera by French artists.

Donizetti's *La favorita* was as much a favourite with the 19th century public as the heroine Leonora di Guzman was with Alfonso XI of Castile. The opera did not persist in the repertory as long as *Les Pêcheurs de perles*, but like Bizet's work, it was partly immortalised by recorded excerpts — "Spirito gentil" and "O mio Fernando" turned up almost as often as the big numbers from *Les Pêcheurs*. In fact, *La favorita* was a French opera, *La Favorite*, largely concocted by Donizetti out of previous works with some significant additions. The result, even in inefficient translation, for which the Italian censors were partly to blame, is good enough to make wavering Donizettians (who miss the full-blooded genius and humanity of Verdi, the all-conquering lyrical sweep of Bellini, the sheer musical unexpectedness and zest of Rossini) at least half-willing to change their minds.

Richard Bonynge conducts the Chorus and Orchestra of the Teatro Comunale in Bologna. The orchestra is passable, the chorus has moments when it appears not to want to be heard, Bonynge's conducting is less vital than vivacious, but he produces a spruce ensemble and makes the most of Donizetti's way (for example in the Alfonso-Leonora duet on side three) of constructing a kind of instrumental cage round the vocal lines. It is pleasant for a change to hear Cossotto (as Leonora) and Ghiaurov (as Baldassare, the Father Superior) in roles with which they are not understandably over-familiar. Though both resort at moments to routine loudness they give fresh, well-formed singing as well.

Pavarotti, on disc, is as usual highly enjoyable for the clean, ringing quality of his tone — whether one can believe in him as a novice of the order of St. James of Compostela is another matter. The role of King Alfonso doesn't give much opportunity for the protean talents of Gabriel Bacquier — strange casting, and sad that a leading French baritone should be compelled to sing a leading French role in Italian. Piero de Palma gives an exemplary *comprimario* performance as Gasparo.

Norma is a greater opera and this reissue of the famous 1951 version with Callas singing the title-role and Serafin conducting restores to the catalogue a notable recording. Some prefer the later Callas version, when the voice was already beginning to lose lustre though the fabulous powers of dramatic declamation were still sharper. The answer is no doubt to possess both. The sound in the early recording is dry, but one soon forgets that. Even with Serafin at the helm, the Scala Chorus and Orchestra were not, in the immediate post-war years, what they are now, but Serafin's command of expressive but never licentious rubato, his ability both to guide and follow the singers, his capacity for bringing potentially banal tunes to rhythmic life, are object-lessons in Bellinian style.

Those coming fresh to the phenomenon of Callas are recommended to start with the beginning of act 3 (act 2 in the score)—the scene where Norma contemplates the killing of her sleeping children—for her tragic recitative and for the moulding of the cantilena "Teneri figli." This is the kind of singing one does not hear more than once or twice in a lifetime. In the 1951 recording Norma's rival Adalgisa is the veteran Stignani, whose tone was by then thinning out but who preserved her line and flexibility virtually untouched. The Pollione of Mario Filippeschi is plain to the point of bluntness—perhaps it is better in this role to sound like a Roman proconsul than an operatic tenor. Rossi-Lemeni's Oroveso is impressive in wrath, but in the opening scene one sighs for a basso cantante of the old type, like Pinza.

Olivier

Macbeth by B. A. YOUNG

Leonard Burt

Dorothy Tutin and Albert Finney

Unwilling as I am, I cannot help comparing the National Theatre's new *Macbeth* with the Royal Shakespeare's. Not only has the RSC's production been playing near by at the Young Vic until a few days ago; but the National's, directed by Peter Hall and John Russell Brown, has adopted several of the more original features of the other. It is played straight through in one long continuous act, lasting about two hours and a quarter; and the action is contained in a small circular acting area with no scenery and only the minimum of furniture. Such similarities are quickly noted, but they are vital, and in spite of great differences in other respects, they colour the whole evening.

The two main differences are just as quickly recorded. Instead of the RSC's filleted text, the National goes for every word, even bringing in Hecate and the second team of witches in the scene preceding Macbeth's second conjuration, complete with Middleton's songs (Dominic Muldowney's music here, romantic harmonies for three female voices, is most unwitchlike, though it may be appropriate for the beauteous Hecate (Judi Bowker) hovering in the rose-tinted smoke above the cauldron with all its racist contents.) And instead of the casual, uncharacterised costume Trevor Nunn used, we have elaborate, colourful clothing by John Bury recalling the more opulent days of last decade.

This hint of opulence, and the use of lots of small-part players to boost the court scenes and so on—there are 43 players involved altogether—does not sort very well with the use of the unadorned acting circle. There seem to be two minds at work, not always in agreement. The abandonment of any attempt at illusion in the scene with Banquo's ghost, for example, does not match the supernatural atmosphere of Hecate and her fairy voices.

Macbeth is played by Albert Finney in the semblance of King Henry VIII, a short, broad man with a bellowing voice—bellowing sometimes to such effect that his words are not discernible. I am not very fond of Mr. Finney's way with verse; I think he is a naturalistic actor, as he showed in his splendid Lopakhin. His bluff way with it suffers in comparison with the clear, musical speaking of Robin Bailey's Banquo—the first serious Shakespeare I have heard from this actor, and worth waiting for. Nicky Henson's beautifully crisp voice in his playing of Malcolm also shows how it is possible on this awkward stage to avoid losing a word.

Verse-speaking from another age comes from Dorothy Tutin's Lady Macbeth — the bell-like music that seeks to extract the maximum of music from the lines. It gives her great authority when she requires it, at the banquet for example, where she sits alone at the head of the sumptuous table and is in command of the whole proceedings. Her sleepwalking scene is full of nerves, with heavy breathing and an actual fall to the ground at one point. She is (as historically she was) genuine queen-material, unlike the provincial Lady Macduff, effectively played by Dinah Stabb with a very small but articulate little boy.

Terence Rigby plays the Porter, having already despatched the bloody sergeant (promoted in this text to captain). His is the only Scottish voice to be heard, and mostly made so simply by substituting glottal stops for the letter t. He fires off his jokes rather casually, but he was the only character in the production who got anything like a round of applause. On the other hand, he didn't get much laughter. Later on, I expected that we might get a titter from the football-fans when Macduff asks, "Stands Scotland where it did?" but I suppose no one had the heart.

Jazz on the Thames

A series of Friday evening jazz cruises on the River Thames is being launched on June 23 with the Mike Westbrook Brass Band.

Embarkation is from Westminster Pier promptly at 7.45 pm, return at 11. Tickets, sold only in advance, cost £3.75 (students, Jazz Centre Society and 100 Club members, £3).

The events are being organised by Ogun Promotions, part of Ogun Records, to whom applications for tickets should be made at 36 Eton Avenue, London, NW3 (794 4490).

Wigmore Hall

Stuart Burrows

To hear this mellow, well-nourished voice in the Wigmore Hall was a real pleasure, and, to increase it, there was in Tuesday's recital hardly an ill-placed or carelessly tuned sound all evening. Mr. Burrows is a tenor of obvious taste and musicianship—the notes are not only well schooled, but turned with an evident sense of their natural lyrical shape and character.

The nearest taste came to being sullied, and that only slightly, was in the Fauré selection that closed the first half: "Nell" and especially "Lydia" were moistened by a touch of affectionately lingering sweetness in the tone that led these deceptive miniatures in the direction of sentimentality. (Even early Fauré requires, and rewards, a certain cool distancing in the style.) In the Beethoven and Strauss songs, on the other hand, while the singer's tongue and manner remained resolutely on the surface of the words, his unencumbered lyrical style was disarming and refreshing. Although Mr. Burrows and his pianist, John Constable, took Strauss's "Zueignung" too fast for the climax to bring the house down, the singer stayed comfortably within his limits, and gratifyingly on top of the line.

A slightly schoolmasterliness in the platform manner, with a reliance on hand-to-heart poses, was diminished in the second half, which Mr. Burrows gave entirely in his native tongues. Communication was freer in the three Britten-arranged English folk songs, and at its freest in three Welsh ones (a pity neither programme nor singer gave any indication, to the uncomprehending Englishmen who comprised most of the audience, of their meaning). The sincere and open feeling with which Roger Quilter's six To Julia songs were delivered almost contrived to calm one listener's pricking cynicism, though by the end of the three encores, "The Mountains of My Home," "My lovely Celia," and "I hear you calling," it was a near thing. Still, the small, warm-hearted audience lapped it all up.

MAX LOPPERT

WNO new productions

Welsh National Opera, long associated with successful performances of 20th century works, is now attempting the same level of achievement within the standard repertory.

New productions announced for 1978-79 place such established works as *Madam Butterfly*, *The Magic Flute* and *La traviata* alongside *The Makropoulos Case*, the second Janacek co-production with Scottish Opera, and *The Turn of the Screw*, the latest in WNO's Britten cycle.

The sixth new production will be an Offenbach double bill tailored for the Welsh university theatres. The company is also seeking to fulfil its commitments to the Principality by mounting a tour of "An evening with Puccini" for smaller venues.

Grand Opera seasons will be given in Cardiff, Birmingham, Bristol, Swansea, Liverpool, Oxford and Southampton. The company will also visit Glasgow and will take *Billy Budd* and *The Midsummer Marriage* to Lisbon and *Elektra* and *A Child of our Time* to Wiesbaden.

There will be 15 operas receiving 161 performances in 18 theatres, and the total in Wales will rise from 80 this season to 92.

The company is enjoying its third year of financial stability. Results of 1977-78 were within 1 per cent. of the £2m budget, a record audience of 152,000 was attracted, and overall attendances rose by 6 per cent. to 78 per cent.

For several weeks, in Birmingham, Cardiff, Bristol and Oxford, the company played to capacity houses.

Elisabeth Soderstrom will star in *The Makropoulos Case* and Rita Hunter will take the title role in *Turandot*, but the season is notable for the increasing number of resident singers appearing as soloists. *Traviata* will be entirely home-grown, with Suzanne Murphy as Violetta, John Treleaven as Alfredo and Terence Sharpe as Giorgio.

JOHN FALDING

Guildhall School of Music

The Marriage of Figaro

by ELIZABETH FORBES

The enjoyable production of Mozart's *Marriage of Figaro* at the Guildhall is quite properly dominated by the students singing Susanna and Figaro. Margaret Perry, whose attractively coloured voice leads the ensembles with splendid firmness, displays more than a hint of steel in her manner and is obviously used to getting her own way. William Shimell, calmer and more placid in outward appearance and behaviour, also reveals a purposeful and tenacious will when necessary, and possesses a sturdy baritone voice to match. Poor Count Almaviva—elegantly sung by Alexander Garden apart from one or two moments when he allows emotion to unsteady his tone—is defeated almost from the start, and what is more he knows it.

A really young looking and sounding Countess is one of the several advantages of a student performance of *Figaro*: Véronique Diestchy, in appearance not unlike the Mona Lisa, can turn naturally from tears to laughter within a few bars. Her beautiful phrasing illuminates the music. As Cherubino, Linda McLeod also has the obvious benefit of extreme youth. Her chubby adolescent sighs and mopes for love very convincingly, and she sings the page's song with feeling. Anne-Marie Owens brings a rich voice and a decided personality to Marcellina, so that it is a pleasure to hear her usually omitted fourth-act aria. If Don Basilio's aria, also included, gives less pleasure, that is not the fault of Terence Newcombe, who tackles it bravely; the piece really is a bit boring.

Michael Lynch (Dr. Bartolo), Paul Leonard (Antonio), Robert Crowe (Don Curzio) and Robina Redgard (Barbarina) all fill their roles more than adequately. Dennis Maunder produces with a sure hand: he knows exactly the right amount of movement and of business to give his singers so that they can concentrate on the music but never feel embarrassingly unoccupied. Margaret Matthews' adaptable set is extremely well lit by John Roffey, who provides a nice firework display at the end, as earlier fromised by the Count. Vilem Tausky conducts. The acoustics of the new theatre in the Barbican are not of the kindest, but Mr. Tausky balances voices and orchestra skilfully enough to camouflage that fact. There is a second cast and further performances on Thursday and Friday.

London Choral Society appointment

Simon Rattle has been appointed principal conductor of the London Choral Society from September 1979. Mr. Rattle, who is 24, is assistant conductor of the BBC Scottish Symphony Orchestra and associate conductor of the Royal Liverpool Philharmonic Orchestra.

Christ Church, Spitalfields

Academy of Ancient Music

by NICHOLAS KENYON

How fast worthwhile causes can be advanced when there is both enthusiasm and organisation to support them! It was only two years ago that a group of us huddled together in the vast, bare, untidy nave of Hawksmoor's English baroque basilica at Spitalfields, listening to its marvellous acoustics come alive, and giving support to the formation of the Friends of Christ Church. Already the Friends' active committee, with the support of patrons, trustees and architectural advisers have managed to make the church inhabitable. And as Ronald Chrichton reported earlier, there are concerts of early music all this week, aimed at proving that the church can work as a musical centre, and that it is worth restoring it to its former splendour.

There was an encouraging turn-out on Monday for an attractive little chamber concert by Christopher Hogwood's Academy of Ancient Music. The programme appeared to have been designed to juxtapose late 17th- and early 18th-century music, much of which might well have been heard at the original Academy's concerts. Judith Nelson sang the popular *Corydon* cantata by Pepusch, who helped found the Academy in 1710; and a couple of arias from *Briseide* by Steffani who became the organisation's President in absentia in 1724. She sang brightly, with a firm focus that was achieved at the expense of some tightening in the voice—a pity, because the rest of the ensemble was distinguished by its relaxed poise.

John Turner chirruped happily through a Vivaldi recorder concerto (and, on a sopranino instrument, the encore by Arne); Anthony Pleeth brought considerable passion to a Geminiani cello sonata; while Catherine Mackintosh and Monica Huggett co-ordinated precisely some tricky figurations in trio sonatas by Handel, Vivaldi and Purcell. The acoustic swept the violin sound towards us beautifully, and helped to project the clarity of Mr. Hogwood's mid-18th-century harpsichord; but the cello boomed, which upset the balance slightly.

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Reasonable unreason

PROPOSITION 13 seems at the moment likely to share the *memorable vagueness of Catch* 22 in the world of popular resentment. There will be a thousand people with a vague idea of what they attack—over-taxation in the new example, bureaucratic rule-making in the *old*—for every one who *knows* what they actually say. This popular perception is right. Proposition 13, by which the voters of California have sought to limit the taxing powers of their elected representatives, is in detail a piece of political slapstick, just as Catch 22 is fictional slapstick. They stick *in the* mind because they *express important* underlying truths.

Self-reliance

The popular revolt against high taxation is rapidly becoming general in the developed countries. Not only in California, where ironically the revolt is against what is already an expenditure-cutting administration, but in many other American states, in Scandinavia, where the tax revolt has brought down entrenched Socialist *governments; and perhaps in* the UK.

There are two basic reasons for this. The first is a kind of Catch 22 of social spending: the more effectively social programes eliminate extremes of deprivation, the less pressing seems the need to spend large sums in this way. Large welfare spending is not seen as appropriate in countries where the general standard of living has advanced out of recognition, and today's definition of "poverty" includes an entitlement to things which were regarded as middle class luxuries only a generation ago. The *liberal* conscience may argue that the richer a society, the more lavishly it should assist its unfortunates; for the taxpayer in the street, the Jarrow marcher who commanded his grandfather's sympathy now appears as a welfare scrounger. In this light it is not a paradox that rich societies should swing back towards "*primitive*" *notions of self*-reliance, but a natural development.

The whole process has been immensely accelerated by inflation, which has distorted the tax structure violently. Progressive tax regimes which were designed to mulct the very rich now affect the skilled craftsman. At the same time other taxes—notably the fixed revenue duties — have been considerably eroded. There has still been enough net fiscal drag to offer politicians an annual endow*ment of rising real revenues* which gave them the opportunity to spend more while offering bogus tax reliefs. The *nature of this process is not as* widely understood as it should be—for example, how many of the Labour know-nothings who have prevented the Chancellor from carrying out his promises to rationalise the higher rates of income tax understand that the severity of these taxes has effectively doubled since the first "pip-squeaking" exercise in 1974? The general sense that the system is burdensome and unfair is widespread, as politicians of all parties are beginning to understand.

Rhetoric

Our wise guardians in Whitehall, observing the administrative chaos and legal in-fighting which is likely to result from the California vote, may well be thanking their foresight that the British constitution offers voters no opportunity to pass *irrational* and *ill-drafted* proposals of this kind. However, they do have the opportunity to elect irrational and irresponsible governments. So far we have heard rhetoric from both the main parties about tax-cutting: but there is very little sign of the fundamental reappraisal of public spending that will be needed if the tax burden is to be lightened in a rational and orderly way.

The State authorities in California have now been thrown in at the deep end, *which* is not necessarily the worst way to learn to swim. The signs of revolt here are so far less dramatic—a few upsets in local government, and the growth of tax evasion as a national sport. In the longer run, the warning is clear: if the responsible parties will not devise sensible ways to give expression *to strong popular feeling, they* may be driven out by less responsible but more responsive populists. The Californian method could then seem relatively orderly and sane.

Slow progress on EEC steel

A CASE can be argued in favour of the *plan which* Viscount Etienne Davignon, the EEC Industry Commissioner, brought into operation at the *beginning of the year in an* attempt to restore some stability to the Community's steel markets. In essence, the Davignon plan was simple. It aimed to establish minimum prices for the most widely traded steel products and then to start pushing them up as fast as the market could bear, while in the meantime freezing the market *share of imports by means of* penal tariffs while voluntary restraints were negotiated with the main non-EEC suppliers.

The plan may have smacked of cartelisation on a Community scale at the expense of Europe's consumers and steel-using exporters. But it could be justified if it provided a breathing space for steel makers to close down their excess capacity and improve their international competitiveness.

Co-operation

For a while it appeared that the measures might be working. Community steel prices hardened, production began to recover, and voluntary import limits were negotiated with a number of third countries. But the key to the success of the Davignon plan lay in the voluntary co-operation of the Community's own steel producers and it is evident that this has been all too often lacking.

Production has risen to levels considerably greater than those recommended by the Commission, particularly since the restraints on imports started to take effect. In the second quarter alone, steel output is expected to exceed the Commission's preferred figure by about 4m tons or roughly 12 per cent. And there has been a good deal of price cutting below the Commission's minimum prices.

The steel industry in this country has been particularly concerned at the growth of imports of cheap steel from the small independent steel companies in Brescia in North Italy following their acceptance of quotas on shipments to France and West Germany. But the Commission has evidence show*ing widespread price cutting by* steel producers and merchants in France and West Germany as well as in Italy.

Initiative

The Commission has already imposed fines on four Bresciani producers and on Usinor, one of the leading French steel companies. But these were for in*fringements which took place* last summer. The Commission has said that it intends to take quicker action against price-cutting by both Community steel traders and importers. It has also undertaken to oversee the operation of a new sales agency through which sales of all Bresciani steel are now to be handled. The danger in all this, of course, is that the Commission could be dragged into taking more and more measures of a bureaucratic nature in an attempt to cajole wayward companies into line. But there are several factors which might still work in its favour.

It is possible, first of all, that a few exemplary fines might serve as a deterrent. Secondly, other countries might decide to retaliate if the Davignon measures fail to hold. The Japanese are said to be already threatening to abrogate their import restraint agreement if price-cutting continues, and the Americans might impose a higher trigger price on EEC imports if too much of the increased Community steel output is being exported there, as some reports suggest. Finally, there is the risk which Mr. Edmund Dell, the British Trade Secretary, mentioned earlier in the week of unilateral action by individual EEC members. This is the only alternative to Community-wide measures, and no-one would benefit from the compartmentalisation of the EEC steel market.

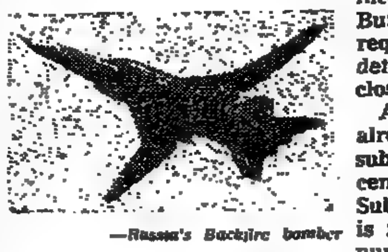
In the long run, however, the only effective cure lies in restructuring the steel industry. This is the justification for any stabilisation programme. But it is a task wherein the initiative lies more with governments and companies than the Commission and, so far, it has been proceeding all too slowly or, in some countries, not at all.

Longer reach for the SALT

BY REGINALD DALE IN WASHINGTON

SIX WEEKS AGO, Mr. Cyrus Vance, the U.S. Secretary of State, came back from Moscow reasonably confident that a new *strategic* arms limitation agreement (SALT II) could be concluded at a summit meeting between President Carter and President Brezhnev some time in July. In yesterday's Annapolis speech, President Carter reiterated that prospects for an agreement are good, that the U.S. is negotiating in good faith and that Salt II is of fundamental importance to both super powers.

A great deal has changed, however, in the past six weeks.



—Russia's Backfire bomber

A few days ago, Washington felt itself obliged to reject out of *hand a surprise last-minute* Soviet proposal to ban the development of all new ballistic missiles between now and 1985 —a *proposal* that the American side considered at least no better, and probably worse, than Moscow's earlier negotiating position.

Meanwhile, a number of factors have conspired to make it increasingly unlikely that any new agreement will be sent to the summit for ratification until early next year. Against a back*ground of growing hostility to* Soviet policies on Africa and human rights, both *in* Congress and the country at large, few politicians want to stand up and be counted on the SALT *issue for the time being*—and certainly not before November's mid-term elections. Quite apart from political difficulties, it will take a considerable time to prepare and publish the final text of the treaty and arrange the necessary, inevitably lengthy, Congressional hearings.

Officials close to the negotiations here say they still do not rule out an agreement at a Carter-Brezhnev summit possibly in Hawaii. They agree that there is no deadline to provide Washington with a positive incentive to conclude the talks. But they point out that it only requires a last burst of political *determination by both sides* to close the remaining gaps.

A 65-page joint draft text already records agreement in substance on around 95 per cent. of the issues at stake. Subject to minor adjustments, it is now agreed that the overall number of inter-continental ballistic missiles, submarine-launched ballistic missiles and heavy bombers on each side will be limited to 2,250. There is a sub-limit of 1,320 for the combined total of heavy bombers *and missiles carrying multiple* independent warheads (MIRVs), with the proviso that MIRVs must be limited to 1,300. Inside the 1,320 sub-limits, there are no restrictions on the number of heavy bombers. But the Americans have accepted that any aircraft carrying Cruise missiles will have to count as a heavy bomber.

Not surprisingly, however, those issues still outstanding are the most difficult, and the two most difficult of all are restrictions on the introduction of new missiles and the Soviet Backfire bomber. The Soviet proposal rejected by Washington last week would have had the effect of preventing further testing and development of the American MX mobile missile, while permitting Moscow to go ahead with all but one of its half dozen "fifth generation" missiles now approaching the flight testing stage.

The U.S. would be prepared to accept a ban on the testing and development of all new missiles in the period covered by the *three-year protocol that is to* accompany the eight-year treaty. If restrictions were to cover the full period up to 1985, Washington would like each side to be limited to one new missile each. The problem is, what constitutes a "new" missile? The U.S. does

—the Cruise missile

not dispute that the MX is new. The Soviet Union, on the other hand, argues that most of its fifth generation missiles are not new, but simply improved versions of fourth generation missiles such as the SS17, SS18 and SS19, that are currently being deployed. The smaller *SS16 mobile missile,* though developed, does not yet seem to have been deployed, according to the latest U.S. intelligence assessments.

When these fourth-generation *missiles are fully* deployed, defence experts here believe the Soviet Union would be able to eliminate the entire 1,000-strong American *Minuteman* force in its silos in a first strike, and still have a large quantity of land-based strategic missiles *left over for a second. That is* the main argument for deploying the MX, would would move around different launching sites, ensuring much *greater* "survivability."

Many people in the Administration would much prefer not to have to build the MX, both on cost grounds and because there are still formidable problems to overcome in developing its mobile base. But they are not likely to persuade either Congress or the military that the missile is unnecessary as long as the Russians do nothing to lessen the threat to the Minuteman force, the U.S.'s *only* land-based strategic system apart from 54 ageing Titans. Only if Moscow went much further than is likely in *restricting its missile develop*ment would the alternative policy of modernising the Minuteman force become politically realistic. Indeed, if President Carter is to sell a SALT II agreement to Congress, he will have to be in a position to assure the Senate that it does not prevent the MX going ahead —precisely the option that Moscow is now trying to close.

Equally, President Carter will have *to secure acceptable assur*ances from Moscow that the medium-range Backfire bomber is not to be given inter-Continental capability to enable it to reach the U.S. There is *no* sign at the moment that this is Moscow's intention, and the Backfire is regarded in Washington as more a political question than an issue of substance. But there is still no agreement either on the legal status of Moscow's assurances or on their detailed content, and the problem looks increasingly as if it can only be resolved at the highest level.

Further negotiations are also needed on America's Cruise missile, the relatively cheap pilotless weapon that can be launched from ground, sea or air, with conventional or nuclear warheads. Range limits have been agreed for the period of the three-year protocol but differences continue over how these ranges should be calculated. There is also disagreement over when the three years begin, with the U.S. arguing that the protocol's life began last October, when SALT I expired, and Moscow insisting that it begins when SALT II *enters force.*

Moscow is also still trying to impose maximum restrictions on American use of modified Boeing 747 jumbos as Cruise missile carriers. One jumbo could launch around 60 Cruise missiles, or three times the amount carried by a B52 bomber. For their part the U.S. negotiators are still not *happy* with procedures to verify whether Soviet aircraft are being used for reconnaissance, refuelling or as heavy bombers.

Despite all these problems, the Administration remains confident that when the full treaty is published it will win the support of both U.S. public opinion and America's allies. It is acknowledged that the fight for the required two-thirds majority in the Senate will be one of the hardest the President has yet faced. But there is a surprising degree of optimism in the air that it is a fight he will ultimately win.

President Carter giving his speech on U.S.-Soviet relations yesterday.

The war for Carter's ear

BY DAVID BELL IN WASHINGTON

VERY EARLY in the morning, as the President's Press Secretary was *briefing reporters* in advance of Mr. Carter's speech *on* U.S.-Soviet relations yesterday, Dr. Zbigniew Brzezinski, the National Security Adviser, was espied behind a column, just out of sight, listening intently. For many people in Washington nothing could more neatly symbolise the fact that the past 10 days have seemed to belong to Dr. Brzezinski. The talk has been of a Brzezinski victory over the State Department, of a Brzezinski success in the battle for the President's ear, and of a new hard Brzezinski line that has now moved to the centre of *the stage.*

The reality is much less straightforward. However attractive it might be—and notwithstanding yesterday's speech which is supposed to clarify the situation—the odds remain that there will be no "single voice" that speaks for U.S. foreign policy and that threading a way through the confusion that results will continue to be rather difficult.

There are a whole range of reasons for this (and many in Washington, with reservations, welcome it), but the chief of them is the President himself. Mr. Carter came to power better read about foreign policy than many of his predecessors. His grasp of the vital statistics of countries at early press confer*ences and even during the pre*-election debates was impressive. He was not, however, "street-wise" as the Americans would put it. He had no first-hand experience of dealing with the Soviet Union, or with Mr. Menahem Begin's Israel, or with Herr Helmut Schmidt's Germany. The temptation to promise too much, to propose *too sudden and too far-reaching* changes—at home and abroad—proved irresistible.

In a very real sense — and like no President, perhaps, since Harry Truman—for Mr. Carter the past 18 months has been a period of on-the-job training. Nowhere has this been more true than in his approach to the Russians. The new President *was willing to give them the* benefit of the doubt, to believe that there was, as Mr. Brzezinski puts it, a code of detente that both sides would adhere to, and that the Russians would not mind his human rights criticisms because he told them that there was no "linkage" in his mind between different parts of the U.S.-Soviet relationship.

Since he took office, events *have forced him to reassess this* view. The Russians have proved far more complicated, obdurate, and canny than he seemed to *expect. Cuban and Soviet in*volvement in Africa presented an unexpected problem and Zaire was the final straw. "To put it bluntly the President feels that he has been screwed by the Russians; that they have not kept their part of the bargain," said one senior official this week. Mr. Carter signalled as much yesterday morning—"a *competition* without restraint and without shared rules will escalate into graver tensions," he said.

Yet over *Africa* (and *much* else) the side of Jimmy Carter that now wants to hit back (the Brzezinski side, perhaps) is balanced by the side that realises that the continent is too complex to be reduced to a cold war chessboard. And Mr. Carter is by no means the only Western leader to be uncertain quite how to respond. In the event, *for all Dr. Brzezinski's rhetoric,* the U.S. has actually played rather a modest role in Zaire and continues to be very wary about French peace force proposals.

The cautious side of Mr. Carter is bolstered by Mr. Cyrus Vance, the Secretary of State, and by Dr. Harold Brown the Defence Secretary. Both are worried by Soviet activities but *both also value detente,* are confident of American strength and urge the President to resist the temptation to respond with empty gestures. UN Ambassador Andrew Young continues to urge the Administration not to throw away a year of success, "by reacting to the shadow rather than the substance of what is going on there."

Yesterday's speech clearly reflects both sides of Mr. Carter and in it there emerges once again a theory of linkage that tries to accommodate both views. In essence, the President said that the U.S. would meet Soviet competition head on, but that the Russians must ask themselves if that is what they want. And they must remember that "in a democratic society where public opinion is an integral factor in the shaping and implementation of foreign policy, we *recognise that tensions, sharp* disputes or threats to peace will complicate the quest for an (arms) agreement. That is not a matter of our preference, but a recognition of facts."

Implicit *in this sentence* is the admission (another lesson hard learnt) that the making of foreign policy is no longer only a matter for the President. Mr. Carter, by allowing something of a vacuum to develop and not *preventing debate, may have* made it worse. But post-Watergate Washington is so suspicious of the executive, awash with so many powerful lobbies and containing so many people willing to leak confidential documents, that even the most single-minded of Presidents would be having problems.

There are those here who argue *that the absence of such* a "single mind" is a good thing. They argue that if the verbal signals have been confusing so have been—and so are—the problems. Indeed, it is true that, to judge by what has been done rather than by what has been said about it, the Administration's record abroad is not a bad one.

"What Mr. Carter needs is a Mayaguez," said one aide in a *reference to President Ford's* dramatic rescue of the crew of a U.S. ship off the coast of Cambodia—a rescue which gave his sagging popularity a sudden lift. But the Mayaguez incident actually cost 40 lives and was later seen to be an over-reaction.

Mr. Carter, however tempted, will probably continue to eschew this kind of approach. *As one commentator put it this* morning: "Mr. Carter is tiptoeing through a minefield." So far none of the mines have actually blown up.

MEN AND MATTERS

Oily games in Wales

The Department of Trade is *nothing if not enthusiastic* — or so one might judge from the news that only one week after "successfully" concluding 24 days of close combat with the tanker the Eleni V, they are to deal with a mock disaster tomorrow.

Exercise Blackwatch is the code name for a simulated colli*sion which, if it happened,* would make the Eleni V's tar seem a mere spot on the lapel. In this, the role of a very large crude *oil tanker of 400,000 dwt* will be played by the Shell tanker, Halia — a 19,480 dwt featherweight. The Halia is to ram a passenger ferry. This is to sink without trace — which will not be hard since, merci*fully,* the passenger ferry is imaginary.

This dramatic scenario is to be played out at Milford Haven, with the beaches then to be combed for simulated oil pollution by local county oil pollution officers. The DoT reassures me that no oil will be spilled.

Like their real-life brethren, simulated oil disasters are organised at least twice a year. Officials have simulated a massive leak from the North Sea oil pipe landfall at Teesside. Shetlanders too have had to put up with simulated oil on their once-unthreatened crofts. The East Anglians have of course played the game for real, and a DoT official blandly told me that they might stage a simulated disaster there, commenting: "After all, we do have the whole coast to play with."

Since it is only two weeks since Kuwait Oil Tanker's 267,000 dwt Al Faiha was veering around the Channel in a way reminiscent of the worst fears in the book "Supertanker," you might say the DoT is wise to prepare us. It would be pleasant to see them equally keen about bringing controls over navigation on ships up to the standards on aeroplanes.

Swiss joker

It does not pay to joke with the Swedes. Last Friday a 37-year-old Swiss businessman, Walter Elvedis, tried to do so at Stockholm's Arlanda Airport. Yesterday he was fined £380 for his pains. It was, one has to admit, a clumsy joke. Before passing through anti-terrorist controls he put his keys in his attache case. When a detection *device showed metal,* Elvedis said it was a bomb. The device's conveyor belt was stopped, the area around it evacuated, a bomb disposal unit called in and the flight to Copenhagen sealed off while each passenger's luggage was re-examined. Elvedis vainly protested that he had been joking but yesterday he was found guilty of "creating false alarm," a crime under Sweden's new anti-terrorism laws. SAS say they are now considering suing Elvedis for damages as a result of their flight being delayed. Individual passengers too seem to have this option open to them, so perhaps the "joke" has a happy ending for somebody.

Housing Hal

The singer Tony Bennett left his heart in San Francisco. Henry V left his in France. And M. Michel Fleury, Director of Ancient Sites for the Paris Region, believes he has found it, but does not know what to do. He says he called the British Embassy in Paris but that his discovery was greeted with cold indifference: "I might have been talking about the sausage trade from Lyons for all the interest they showed."

"I think he's beating out 'Cigarettes can seriously damage your health!'"

Henry V died of dysentery at Vincennes Castle in 1422, seven years after longbowing to victory at Agincourt. His funeral *duly took place at Westminster* but a contemporary chronicler, Enguerran de Monstrelet, records that the King's entrails were removed and *buried in the* nearby Abbey of Saint Maur. Other unsavoury details in chronicles in the National Library in Paris stated that the rest of King Hal's body was cut up and boiled so as to separate flesh and bone. The remains were embalmed, sealed in a lead coffin and shipped to England.

The Abbey was destroyed in the 18th century but in what is now a park in the Paris suburbs M. Fleury found a lead drum.

He is convinced that the macabre relic is King Henry's and presumes the original burial was made in some haste because of the August heat. The drum is now being stored at —35 degrees centigrade in the Cochin Hospital in Paris where tests will be made. But M. Fleury's problem is what to do when the tests are completed. He suggests that since the church where they were interred no longer exists they should be removed to Westminster.

Tail twister

"Gilts have continued their re*covery" was an unexpected* notice I received yesterday. Given the sluggish state of the market I looked again, to find the notice came from an equally unexpected quarter, the Department of Agriculture and Fisheries for Scotland.

The notice in fact proved to be the results of a sample pig census. A gilt turns out to be a young sow and the trade talks of "in-pig gilts" for pregnant ones and "maiden gilts" for the still innocent. Just to add to the confusion, the census was carried out on April 1.

Accident prone

It is a high life we diarists sometimes lead. On Tuesday I went to attend the Foreign Press Association's lunch for the Indian Prime Minister, Mr. Morarji Desai—and found on the pavement outside the reception a £1 note which no one else wished to claim. That seemed in tone for the Savoy and yesterday equally good fortune appeared to await me in the shape of a champagne lunch promised by the auctioneers, Bonham's.

They were launching an "elegant travelling unit" which would take the expertise of Bonham's to "the heart of the provinces visiting shows, game fairs and other events." But when I arrived the launch had been postponed. A motorway accident had occurred during the final test drive.

Observer

ECONOMIC VIEWPOINT

Reflections from the Loop

ONE OF the amusing aspects of a term at the University of Chicago (spent in fact at the Law School) is to discover for oneself just how ludicrous are some of the popular ideas held in the UK about Chicago economics. Judging by some of the letters I received from London, some Britons think that Professor Milton Friedman is personally in charge of all economic teaching and research, vets all newcomers for doctrinal purity, and spends all the time on ritual incantations about the money supply.

One distinguished professor of English background was reminded of the London School of Economics in the 1930s, when it was popularly believed that the institution was identical with *Harold Laski* and largely devoted to lessons in Communism.

Impossible though it is to get people to believe this, Professor Friedman retired from his Chicago chair last year. Of course, he is more active than ever, but he now lives amid the scenic splendours of San Francisco and operates professionally from the Hoover Institution in Stanford.

The centre of interest in the *economic* world of Chicago is now very much microeconomics—which covers not only the traditional analysis of the industry and the firm, but is applied to law, family behaviour, racial discrimination and much else besides.

The emphasis is on intellectual rigour, not policy position. There is a sense in which *Chicago* economics is indeed conservative. But it is one summarised by the slogan: "Hitherto economists have tried to change the world; our task is to understand it." Professor George Stigler, the university's leading senior economist, is scathing about those who lecture governments on supposed "mistakes."

The prevailing assumption is that actors in political, as well as *economic markets*, tend to be efficient; or they would not survive. If the British Parliament insists on marginal tax rates of 83 per cent and 98 per cent, or if the U.S. Administration responds to a supposed energy shortage by effectively *subsidising oil, it is still likely* to be acting rationally. The analyst should discover which interest groups are being furthered by such policies and the role of these groups in the dominant political coalition.

Broad questions

There is, of course, still a great deal of research going on in Chicago into broad questions of macroeconomics. But *the emphasis is not on current* policy. On the one hand, effort is being devoted to developing the theory of "rational expectations" and reconciling it with business cycle behaviour. On the other hand, the actual history of the Great Depression is being re-examined.

This is very sensible. For the most controversial and important presupposition of monetarist doctrine is that a market economy is reasonably *self-stabilising in the absence* of monetary shocks. It is, therefore, crucial to determine whether the World Depression of the 1930s really was due to a U.S. monetary collapse and to discover why unemployment remained so high in the later 1930s when the U.S. money supply was stable or rising.

Of course, in a trip which covered Washington, New York, St. Louis, California, Eastern Tennessee and Ontario as well as Chicago after seminar hours, I came across a *good deal of policy discussion*. And I am afraid it was on even more depressingly left-right lines than such discussions in England—except that the terms "liberal" and "conservative" are used instead. When I explained to one young lady that *you did not have to* be a conservative to oppose wage and price controls, she retorted that in her book a conservative was defined as someone hostile to Government economic intervention. No amount of social liberalism or *past opposition to the Vietnam* war could help one escape this absurd classification.

The perverse influence of labels works the other way round. Many advocates of a market economy seem to feel that they have to be "right wing" on other matters too. There is a knee-jerk conservatism as well as a knee-jerk liberalism. This is *evident for instance in* the tendency of people who are in favour of the death penalty on *supposedly deterrent* grounds to oppose gun-control laws as well. Economists who *favour* de-regulating oil prices feel that they have to vie with each other in mocking President Carter's Middle Eastern and African policies, as well as his conduct of the SALT talks.

Sometimes, however, an idea *which has one political label on* this side of the Atlantic has an opposite one in the U.S. Take, for instance, the idea of a tradeoff between inflation and unemployment, enshrined in the once popular Phillips curve. In the UK it is regarded as a hideously reactionary notion, as it suggests that you can curb inflation by having more unemployment. In America, on the other hand, the Phillips curve *is regarded as an East Coast* liberal doctrine which asserts that you can get fuller employment by tolerating more inflation. On both sides of the Atlantic it is still heresy to suggest that the existence and nature of the tradeoff should *be decided* by evidence and logic rather than by partisan loyalty.

On the factual aspect there does seem to be a difference between the U.S. and Britain. In the U.S. the old rules still apply and a pronounced *short-term Phillips tradeoff still* exists. High budget deficits and an acceleration of monetary growth have produced the classic result of a vigorous expansion in America's output and employment achieved at the expense of a sharply rising inflation rate. In the UK, which is much more dependent on international financial movements, monetary acceleration now leads almost immediately to a fall in sterling and a drop in *financial* asset values with little if any transitional stimulus to output—and sometimes even a *contractionary effect*.

Natural rate

It was on these grounds that I told Americans that the UK was most unlikely to launch on another inflationary binge of *the 1967-75 variety, irrespective* of the party in power. On the other hand, the U.S. was catching the English *sickness*—a message which delighted U.S. business audiences. The American position reminded me irresistibly of Britain in 1971-72. This was the last time in recent history that a British Government was able to engineer a boom by pumping more money into the system.

In contrast to their Whitehall opposite numbers, the more high-powered economists in the Carter Administration and in think-tanks such as Brookings *acknowledge* the logic of Prof. Friedman's so-called natural rate of unemployment. That is they *accept* intellectually the futility of boosting demand to the point where wages and price rises begin to accelerate: jobs gained at the expense of more inflation are temporary and will be lost in an inevitable subsequent recession.

Indeed the interesting thing is that Washington-type economists make more use of the "natural rate" idea in their actual policy advice than do the monetarists who invented it. The latter treat it chiefly as a forensic device to demonstrate *that their recommended monetary* policies do not involve any ultimate sacrifice of employment. *Washington-type economists* on the other hand are inclined to fine-tune the economy *because the present* 6 per cent unemployment rate (4 to 5 per cent on British definition) is above the natural rate emerging from their models. The economy they believe can therefore be boosted further without inflationary risk. Hence the Administration's campaign for a tax cut without an expenditure cut in fiscal 1978-79.

How do these fine-tuning advisers reconcile their beliefs with the facts of increasing *inflation? They can always take* refuge in "special factors"—at the moment rising food prices. But their real argument is that the target unemployment level of 4 to 5 per cent need not involve accelerating inflation if only wages and prices could follow some incomes policy norm. Indeed, a member of the Council of Economic Advisers was willing to admit after a few tomato juices that what he really meant was wage restraint, and that price restraint had been thrown in mainly for public relations reasons.

There is much wishful thinking in all this. *The ability of* real world pay controls to raise sustainable employment levels is pure supposition and not supported by comparative international studies. It is akin to saying: "Assume that the natural rate is lower than it is."

Optimism

Unfortunately, one can all too easily score points at the expense of Carter economic policies (if such exist). A more embarrassing question for me *is whether the circumscribed* optimism I expressed in the U.S. about the British economy can *withstand my return to London* amidst news of rising budget deficits, accelerating monetary growth and *falling sterling*? The analysis I gave in the U.S. depended heavily on the *immediately adverse* impact of inflationary policies on the sterling rate. But this salutary brake only works if the British authorities are indeed alarmed by a fall in the pound on foreign exchanges.

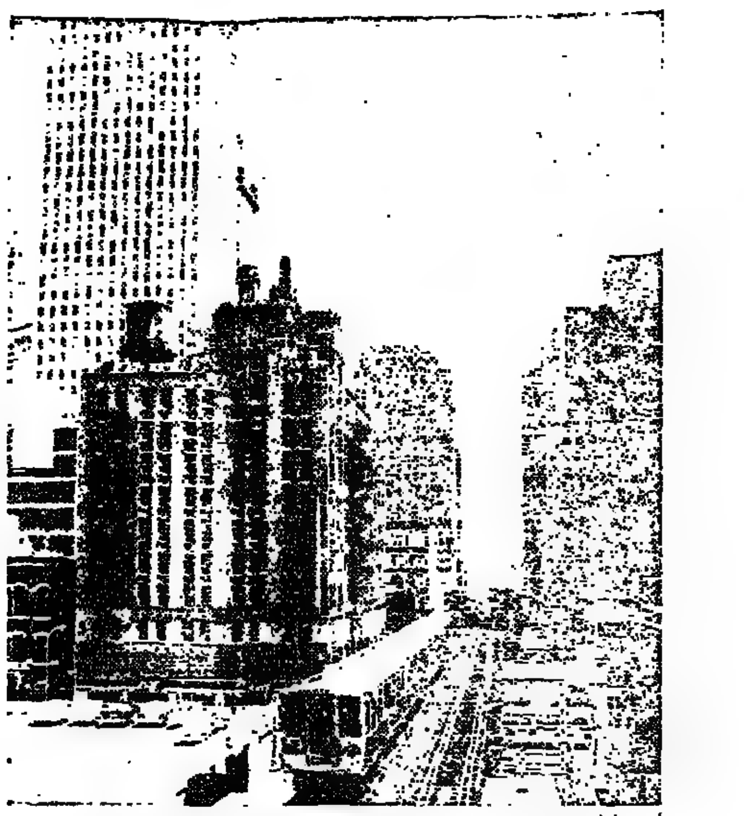
What really went wrong this year was that the British Government, with the support of all too many outside economists, *came to the conclusion* that sterling had risen too high last winter when it reached 66.5 per cent on a trade-weighted basis. If the authorities did not engineer the drop this spring to 61.5 per cent, they certainly welcomed it. Subsequently, they have pursued monetary and other policies to validate that fall.

Thus it is neither straight electioneering, nor even technical mis-management of the gilt-edged market, that is at the root of our difficulties. It is the obstinate determination of the U.K. economic establishment to impose its own pessimistic *beliefs* about the effects of wage movements on the exchange market.

In the very restrained words of the Morgan Grenfell May Economic Review: "The danger with this policy is that it largely ignores the possibility that companies are influenced in their wage bargaining by expectations as to official *exchange rate management*. In practice most companies operating in international markets, whose *wage policies are crucial* to their own competitiveness, pay just as much attention to official exchange rate policy as the officials pay to wage bargaining trends."

The dip in the British inflation rate to 7 per cent—or below the U.S. level—will turn out to be temporary, although with wiser policies it need not have been so. Medium-term policy is now geared to stabilising the inflation rate at say 10 to 12 per cent. Any stable rate of inflation is better than an *accelerating or wildly uncertain* one; and the sensitivity of governments to downward as *well as upward* movements in sterling outside the planned tramlines should ensure that inflation does not take off again to 20 or 30 per cent levels. But what the British economic establishment has thrown away has been the chance to move down permanently and relatively painlessly to an inflation rate well into single figures. Plus ça change. . . .

Samuel Brittan



Part of the Chicago Loop: the Elevated Railway.

Letters to the Editor

Education in engineering

From the Pro-Vice-Chancellor, University of Bradford.

Sir,—During the last year considerable attention has been drawn to the importance for the *future prosperity of the country* of a strong engineering profession and, in consequence, of *an effective system of engineering* education.

An initiative was taken by the *University Grants Committee* in 1977 when it invited all universities to submit proposals for new engineering courses of supposed high calibre, and offered additional finance for their support. It was envisaged by the UGC that these courses would involve a component of management education in addition to engineering subjects and would also include some experience in *industry, in consequence* being four years in total duration. This invitation placed some universities, including my own, in an embarrassing position by apparently ignoring the four-year integrated sandwich courses in various fields of engineering which had been in operation for many years. This was surprising in view of their success as judged by the readiness of industry to recruit the graduates, coupled with the readiness of the graduates to enter industry.

Statistics have shown a much higher proportion of the graduates from universities operating integrated sandwich courses entering manufacturing industry than do the graduates of other universities. Most of these proven courses included substantial components of management education and some appeared to meet *precisely* the aims laid down by the UGC.

This university therefore resisted the *temptation to invent* a new course at short notice in an attempt to obtain a share of the *additional support*, but, instead, drew attention to its existing and proven work in the field. In the *event*, this university was not chosen to have any of the designated "special" engineering courses and it appeared that only new ventures were selected. With one exception, the experience existing in the university sector of operating integrated sandwich courses was ignored. The decision was a matter of some concern since there is an implication that engineering courses not designated as "special" are of lower calibre, a suggestion which many would strongly dispute.

A second and apparently independent initiative was taken by the DES in establishing a fund to provide National Engineering Scholarships, each to a value of £500 per annum tax free and outside any parental means test. The scholarships were to be jointly financed by the Government and industry and were intended to encourage more high-calibre students to read engineering: a laudable aim. In reply to a question in the House of Commons on January 17, 1978, Mr. G. Oakes (Minister of State, Education and Science) said categorically: "These scholarships will be tenable not only on those courses (i.e., the four-year "special" courses): they *will* be available for a wide range of engineering courses."

This is totally at variance with the recent statement issued by the DES and reported in the Financial Times on May 23, which states: "The scholarships are being limited this year to students on the new special ("enriched") engineering courses which have been set up in selected universities following an initiative from the UGC." While there *is a suggestion* that the scholarships will be tenable for other courses in the future; this decision *to couple them* for the moment exclusively with the new courses is a severe blow and denigration of those who have worked to develop the existing engineering courses in all universities and to those who have graduated from them. There is a clear inference that the Government believes them to be of lower calibre than the new ventures, which have yet to enrol their first students.

While any development of improved engineering courses is to be welcomed, it is vital that this should be achieved without damage to the standard of existing courses, which must continue to produce the vast majority of the engineering graduates needed by the country. This will not be realised if the best students are encouraged to take only the new courses. One is even tempted to ask whether this latest move reflects any *reluctance on the part of* students to register on the "special" courses in preference *to established proven ones, and* also whether the companies who are providing finance for the *National Engineering Scholarships* were in agreement with the decision to restrict them for the *time being to the new courses.* It is certainly to be hoped that the Government will not continue to ignore established courses and that it will seek to develop a national policy on engineering education embracing existing strengths. The country cannot afford the luxury of developing new facilities at the expense of those which have already been created or of putting a premium on inventing new courses in preference to improving existing ones.

Carl Hanson,
University of Bradford.
Bradford, West Yorkshire.

Splitting up the rates

From Mr. S. Coker.

Sir, — You have run a long discourse in your letters column regarding water/sewerage charge transfer from the rates to Water Authorities. Unfortunately your correspondents have missed the clever move *behind* this. At future elections, removing the rates would be a vote catcher, in*creasing the rates* a vote loser.

Dissecting the rates and handing them to the individual factions, who then will send out the charges to us, will eliminate the rates as such (vote catcher) but increase the charges considerably which will not be noticed. After all, how many people realise their bill for newspapers is £75-100 per year?

Standing charges of £4-5 for library, rat catcher, road menders' departments, with, say, £10 for police and £20 for education. Each authority then adds on his percentage charge against the value of your house (his estimate), and before you know it, the rates, which would now have a fancier name, have increased 300 per cent.

Have no fear, the Water Authority fiddle is only the start.

S. Coker,
5, Greenbanks, Wilmington, Kent.

Search for stability

From Mr. Leslie J. Kent.

Sir,—At long last by reverting to a similar type of MLR as the old Bank rate, the Bank of England has recognised the fact that there are "institutions" within the U.K. which are *not* concerned with the short term financial operations associated with the City. *I am referring* to those in industry whose existence is made extremely difficult by the erratic oscillations of the formula related MLR. How can a longer term contract or project be discounted on a cash-flow basis when interest rates are as volatile as they have been? As a result of this, those involved must approach the problem defensively which, in itself, is bound to limit the degree of competitiveness since there are *no prizes for being wrong.*

Perhaps, having recognised the need for stability in one aspect *of industry the authorities* might consider a similar approach to the exchange rate and *by doing so,* try to *eliminate* yet another major area of uncertainty for the main exporting *industries.*

After all, the indirect impact of industry on our well being *is far more significant* than the direct impact of financial institutions and in order to verify *this one is simply required* to examine a wide variety of statistics ranging from the balance of payments to the level of employment

Leslie J. Kent.
36, Ringstead Road, Sutton, Surrey.

The rewards of productivity

From Ms. Ruth Kosmin.

Sir,—Your Editorial of June 1 entitled "The rewards of productivity" discusses the important and interesting work emanating from the Department of Employment on output, employment and productivity trends over the period 1950-1973. It may be of interest to supplement these findings with some of the results of my doctoral research being carried out at the London Business School.

In addition to considering the Total Economy, I have created a disaggregated sectoral breakdown based on the 1968 Standard *Industrial Classification*, which consists of the manufacturing, the distributive and services and the public sectors. The statistics which follow seem broadly in line with the more disaggregated Department of Employment results, although my work extends over a later period and includes the service industries.

During the period 1955-76, the average annual growth rates of output were 2.28 per cent for the total economy, 2.05 per cent for the manufacturing sector, and 2.83 per cent for the distri*butive and services sector*. It is interesting to note that the corresponding output figures for the sub-period 1955-65 were 2.78 per cent, 2.98 per cent and 3.04 per cent respectively, while the later sub-period 1966-76 exhibited a dramatic fall with sectoral output growth rates of 1.82 per cent, 1.18 per cent and 2.66 per cent respectively.

The employment statistics show significant movement between the sectors. In 1955, the manufacturing sector accounted for approximately 56 per cent of the total employed labour force, but its share dropped steadily to approximately 43 per cent in 1976, a drop in share of 13 per cent. Over the same period the distributive and services sector gained a 7 per cent share, commencing with 33 per cent in 1955 and representing 40 per cent of the total employed labour force in 1976, while the public sector share also rose by 6 per cent from 11 per cent in 1955 to 17 per cent in 1976.

The average annual growth rates of Gross Domestic Fixed Capital Formation (investment) *over the period* 1955-76 were 3.81 per cent, 2.75 per cent and 4.70 per cent for the total economy, *the manufacturing sector and* the distributive and services sectors respectively, but these *figures mask a dramatic decline* during the later period. The corresponding sectoral growth *rates for the sub-period* 1955-65 are 5.95 per cent, 4.98 per cent and 6.16 per cent, but only 1.85 *per cent, 0.35 per cent and* 4.02 per cent respectively for the period 1966-76.

For the total economy, labour productivity has grown at an average rate of 2.14 per cent for the period 1955-76, but has increased from 1.98 per cent, in 1955-65 to 2.17 per cent in the latter sub-period. At 3.09 per cent, the overall growth rate of productivity *in the manufacturing* sector is higher than for the total economy, with sub-period *growth rising from* 2.73 per cent to 3.24 per cent in 1966-76. A *faster* growth in the latter period *is also evident* in the distributive and services sector, where overall growth in productivity is 2.18 per cent p.a., and the sub-periods have growth rates of 1.92 per cent and 2.40 per cent respectively.

The results of further work I carried out tend to support the view that increased investment is not the primary factor in determining labour productivity, although its importance is far from negligable. In fact the percentage of growth in productivity attributable only to increased investment is approximately 40 per cent for the total economy, 35 per cent for the manufactur*ing sector* and 58 per cent for the distributive and services sector. Higher productivity will *therefore have to rely on factors* such as improved efficiency and increasing labour mobility and *training as well as higher invest*ment per worker.

R. Kosmin.
London Business School, Sussex Place, NW1.

Current account horrors

From Mr. T. G. Haworth

Sir,—The *conclusion* by Barclays Bank that there is no satisfactory way of overcoming the *administrative difficulties* created for their customers if they paid interest on current accounts comes as a great relief. I had lain awake at nights worrying about these difficulties, and in trying to find means of overcoming them I had reduced myself to a snivelling wreck. Indeed, I had promised myself that if they so much as raised the subject again I would move my current account to a more considerate banker.

One of the more horrifying prospects of a nationalised bank*ing industry is that a bank could* insist on paying interest on a customer's current account *against his will*, while preventing him either moving or spending it.

T. G. Haworth.
Rydal House, Friezley Lane, Cranbrook, Kent.

More diligence would help

From Mr. Leslie Beame.

Sir,—I enclose a suggestion which as an ex-banker has always been my opinion that the public are rather on the lazy side.

Now with a modest limit of £50 (always in credit) set by most banks for a free account from charge there is nothing to stop a customer opening a deposit account for any balance over £50. He would earn interest *at the going rate* but would have to work for his interest by way of calculating his current *account needs in advance* and giving the requisite withdrawal notice from deposit to current account.

Leslie Beame.
13 Miskin Crescent, Miskin, Pontyclun, Glamorgan.

The true value of gold

From Mr. Carlos Gandiaga.

Sir,—I have read with interest all the recent letters regarding gold as money.

Those who call currency depreciation "inflation" would *have us believe* that all the goods in our economic universe have suddenly decided to rise *for reasons* peculiar to themselves, while one item—money—is stable. This is an attempt to take our attention away from the main cause of currency depreciation—the issuing of too *much money*. No wonder politicians and bureaucrats hate gold so much. Unlike fiat paper *money and bookkeeping entries*, gold cannot be printed or expanded at the stroke of a pen.

Officials who sell their country's gold are afraid of gold. The *fact* that gold is under attack, says that gold is a winner. It is only a matter of time. The Americans protest too much against gold. Why did the U.S. close the gold window in 1971? *That was an excellent opportunity* to get rid of the entire U.S. gold hoard down to the last *glittering* bar. The U.S. Treasury and Pentagon don't want to face the prospect of only being left *with paper and bookkeeping* entries as so-called "assets." Gold is not an IOU. Gold cannot be created at will and at low cost. Paper or gold; in the end which will there be more of?

In ancient China a law was passed prohibiting paper money forever and for all time, long *before* paper money was discovered in Europe. Of course it failed. The highways of history are littered with countless paper currencies that became worthless whereas only gold travels from one century to the next. Platinum, silver and diamonds are not money in any shape or form, but that is another story.

Carlos Gandiaga.
Vikingagatan 42, 216 18 Malmo, Sweden.

Taxation on redundancy

From Mr. B. J. P. Edwards

Sir,—The recent announcement that the tax threshold on redundancy payments is to be in*creased from* £5,000 to £10,000 raises the question of the date from which such change should be effective.

Those employees made redundant during the tax year 1977-78 have, of course, had any payment in excess of £5,000 taxed through the PAYE system, unless entitled to a higher tax-free payment under the rules governing the standard capital superannuation benefit. However, many of those who had tax deducted through the PAYE system will nevertheless be entitled to reclaim part or all of the tax paid as a result of the "top slicing" provisions applicable to lump sum redundancy payments.

These somewhat complicated and time-consuming "top slicing" calculations are done subsequent to the tax year in which payments are made, i.e., for payments made in the tax year 1977-78 the work will fall in this tax year. As the Inland Revenue are already overworked and understaffed, and as it is *admitted* that the yield is insignificant in revenue terms, it seems sensible that this work *should be eliminated* and the tax threshold of £10,000 applied to redundancy payments made in the 1977-78 tax year.

This would have the additional advantage of eliminating anomolies as between individuals—often in the same company—who were made redundant either shortly before April 6, 1978, or shortly after that date, and who find themselves suddenly facing very different tax liabilities on their redundancy payments.

B. J. P. Edwards.
33, Taylor's Ride, Plantation Road, Leighton Buzzard, Beds.

Today's Events

GENERAL

U.S.-Soviet talks on banning hunter killer satellites, Helsinki.

Mr. Malcolm Fraser, Prime Minister of Australia, continues visit to UK.

Mr. Huang Hua, China's Foreign Minister, begins three-day official visit to The Hague.

Austrian Foreign Minister and Agriculture Minister in Brussels for talks on exports to EEC.

President Valery Giscard d'Estaing of France on visit to Corsica.

Last day of UK visit by Mr. Morarji Desai, Indian Prime Minister.

Sir Keith Joseph, MP, speaks on "*Equality and Inequality*" at London School of Economics, Houghton Street, WC2, 5 pm.

Lord Mayor of London presides at Court of Common Council, Guildhall.

PARLIMENTARY BUSINESS

House of Commons: Foreign affairs debate.

House of Lords: Scotland Bill, report stage. Co-operative Development Agency Bill, committee stage.

OFFICIAL STATISTICS

Vehicle production (May—provisional).

COMPANY RESULTS

Grand Metropolitan (half-year). Guthrie Corporation (full year). *600 Group (full year).*

COMPANY MEETINGS

Bowthorpe, Crawley, 12. *British Vending Industries* Morden, 10.30. A. F. Bulgin, Barking, 3. Ellis and Goldstein, Barrington House, EC, 12. Feb International, Manchester, 10.30. Gieves, Brown's Hotel, W, 12. Glynwed, Birmingham, 3. Hoveringham Group, Nottingham, 12. UK Industrial Investments, 123, Kennington Road, SE, 12. Leslie and Godwin, Great Eastern Hotel, EC, 12. London and Provincial Poster, *Mayfair Hotel*, W, 12. *George* Wimpey, Royal Garden Hotel, W, 12.

SPORT

Cricket: Ireland v Pakistan, Dublin. Boxing: European Junior *Championships*, Dublin.

COMPANY NEWS + COMMENT

Harrisons and Crosfield steady at £23m

AFTER A DROP in the second half from £12.63m to £10.79m, pre-tax profit of Harrisons and Crosfield ended 1977 little changed at £23.35m against £23.17m previously.

Turnover for the year was well ahead from £528m to £579m, and the slowdown in the final half was forecast at midway.

The operating surplus for the period declined from £22.69m to £21.72m with the logging, timber, glass etc., contribution down from £9.68m to £7.04m. However, investment income rose £1m to £1.95m and associate company contributions climbed from £0.69m to £1.15m.

The investment income covers dividend payments from Malayalam Plantations (Holdings), Harcros Investment Trust and Harrisons Malaysian Estates, which since the year-end have become subsidiaries of H and C.

Profit is before tax of £10.39m (£9.68m) based on ED 19, and minority interest down from £2.3m to £1.67m. There were also extraordinary losses totalling £0.39m (£2.14m profits) comprising exchange losses on net current assets of £1.04m (£1.4m profit) and a £0.65m (£0.73m) surplus on property sales.

Earnings per £1 share are shown ahead from 49.8p to 50.2p. A final dividend of 17.4p lifts the total to 21.78p net compared with 11.5076 last time, which includes an additional 0.1148p following the reduction in ACT. The increase has Treasury consent.

	1977 £000	1976 £000
Turnover	579,000	525,000
Operating surplus	21,719	22,692
Merchanting, services	7,490	6,752
Manufacture, processing	6,651	5,507
Timber, building matls.	7,042	9,645
Financial transactions	547	608
Investment income	1,950	951
Associates	1,143	689
Interest payable	1,467	1,163
Profit before tax	23,347	23,169
Tax	10,394	9,679
Net profit	12,953	13,490
To minorities	1,669	2,293
Pref. dividends	120	120
Extraordinary loss	390	†2,141
Exchange deficit	‡1,041	*1,412
Surplus on prop. sales	651	729
Attributable Ord.	10,775	13,216
Ord. dividends	4,860	2,332
Retained	5,915	10,684

† Profit. * Surplus. ‡ On net current assets.

A balance-sheet summary shows fixed assets at £20.09m (£25.24m), associated companies at £4.41m (£3.58m), trade investments (including Harcros, Malayalam and HME) of £13.98m (£9.47m) and net current assets ahead from £37.49m to £38.3m.

A geographical analysis of profit shows the UK share 49 per cent (48), Asia 26 per cent (31), North America 6 per cent (8), others 6 per cent (8), investment income 8 per cent (4) and associates 5 per cent (3).

● comment

Harrisons and Crosfield had already forecast profits of £23m in its offer document for Harrisons Malaysion Estates so there is no real surprise in the preliminary figures which show a nominal 1 per cent improvement on last year. Sabah Timber has already reported a £2.7m drop in profits—timber production fell by 11 per cent and the UK building recession has bit demand here. However, the shortfall was made up by a £1m increase in investment income (principally the special dividend payments), an extra £1m from the chemical side (chrome is doing particularly well) and a £0.7m rise in merchanting profits. Provided there is an upturn in world trade and commodity prices, Harrisons should be able to push its profits higher in the current year but the acquisition of HME will transform the business, and make comparisons with earlier years difficult. At 475p the shares yield 6.9 per cent slightly above the average for overseas traders.

INDEX TO COMPANY HIGHLIGHTS

Grindley of Stoke recovers

FROM TURNOVER up from £8.27m to £11.1m Grindley of Stoke (Ceramics) achieved a turnround from a £378,023 loss in the 11 months to December 31, 1976 to a £1.19m pre-tax profit in 1977.

The company, formerly Alfred Clough, is a subsidiary of Newman Industries. The result was after depreciation of £108,602 (£114,381), interest down to £24,881 from £207,164, a £1,762 (£188,111) shortfall on a claim for damage to a factory and a £21,290 (nil) rates adjustment.

Tax takes £134,400 (£30,059) and there was a minority credit of £1,208 (£1,888 debit). Earnings per share are shown at 71p against a 28p loss and again there is no dividend.

RKT group climbs at six months

REPORTING taxable earnings leaping ahead from £116,846 to £581,337 for the half year to March 31, 1978, the directors of Robert Kitchen Taylor and Co. say that overall satisfactory progress continues to be made with full benefit being received from increased rents and lower interest charges.

In 1976-77 the company recovered from two years of loss to a profit of £800,000 with its liquidity position improved by selected property sales.

The company is now replacing its short-term mortgage loan with a £2m medium-term loan from Barclays Merchant Bank repayable over ten years.

After tax of £165,524 (£153,642) there was a net profit for the first half of £415,813, compared with a loss last time of £36,796, and earnings per 10p share are stated at 10.26p.

Minorities took £59,196 (£43,372) leaving a surplus at the attributable level of £356,617 (loss £80,168).

As known the company, which has interests in knitwear manufacture, textile merchanting, domestic appliance distribution and property investment, has made an offer for the 24.3 per cent of the shares of RKT Textiles that it does not already own.

At RKT Textiles taxable profit was higher than expected when the offer was made in May, at £579,400, against £397,838, for the half year. As a result the directors plan to make a special interim payment of 4.4776p gross. Members accepting the parent company's bid will be entitled to retain this dividend. Last year a total of 7.04654p gross was paid from record profit of £0.96m.

The directors also state that the group as a whole is progressing satisfactorily.

Sales for the first half were up £3.18m at £9.27m and after tax of £324,970 (£153,642) earnings per 10p share improved to 7.74p (7.41p).

After a minority loss of £3,472 (profit £872) the attributable surplus came out at £257,893 (£243,324).

First-half progress by Utd. Spring

WITH SALES ahead at £11.54m against £10.12m, taxable profit of United Spring and Steel Group expanded from £278,000 to £676,000 for the half year to March 31, 1978.

Mr. D. Westwood, the chairman, says first-half results are most encouraging and he is confident that this trend will continue and culminate in a satisfactory final result.

For all the previous year, a taxable profit of £765,000 was achieved.

The spring division continued to improve on its performance notwithstanding the reduced profits contributed by the group's Dutch companies, while the success of the policy adopted some 12 months ago by the steel division is reflected in the figures, which are particularly rewarding when viewed against the continuing problems in the steel industry, the chairman adds.

Stated half-year earnings are 2.47p (1.28p) per 10p share, while the interim dividend is raised from 0.5p to 0.55p net—last year's final was 0.952p.

After tax of £365,000 (£152,000), an extraordinary debit last time of £16,000 an ddividends, retained profit for the period emerged as £242,000 (£61,000).

● comment

Given what are still extremely gloomy conditions in the steel stockholding industry, United Spring has done remarkably well to increase pre-tax profits by 149 per cent to a figure only £89,000 behind last year's 12-month total. What is more most of the improvement came from the steel division. United's secret is to specialise at the quality end of the market, a trend started about a year ago and which involved selling off the Brierley Hill plant. Profits from steel amounted to wel over half the six-month total, against not much more than a quarter for the whole of last year. Margins are considerably better and implying improved efficiency given the background of lower steel production. Demand remains poor but the company is well placed for any pick-up. Meanwhile spring division profits have continued to move ahead, though les dramatically than elsewhere. Holidays fall in the second half but despite this the group should make about £1.2m for the year. Taking a line through the interim tax charge the shares at 28p stand on a prospective p/e of 6 (or 5.2 on last year's tax charge) and yield 8 per ecnt.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Andersons Rubber	0.95	—	0.9	1.55	1.4
Archimedes Trust ...int	2¼	Aug. 14	1.82	—	5.15
Bankers' Investment	1.05	Aug. 31	0.8	2.55	2.3
Buffelsfontein Gold	110¶	Aug. 4	90	170	130
Clydesdale Collieries	9‡	Aug. 25	7½	15	12
Eva Inds.	2.9	—	2.2	4.8	3.64
Griqualand Exploration int.	24¶	Aug. 25	24	—	52
Hanson Trust ...int.	3.03	July 20	2.75	—	6.29
Harrisons & Crosfield	17.4†	—	7.46*	21.78†	11.51*
J. & W. Henderson	4.27	—	1.86	8.27	9.29§
McCorquodale	5.75	July 31	4.5	—	14.24
McMullen & Sons ...int.	0.75	July 1	—	—	—
Oceana Devpt.	0.42	July 19	0.42	0.42	0.42
Standard Fireworks	5	Oct. 2	4.5	5	4.5
Sterling Trust ...int.	2.2	Aug. 1	1.7	—	5.3
Stilfontein Gold ...int.	16¶	Aug. 4	11	—	22
Sumrie Clothes	1.5	—	1.25	1.5	1.25
"Times" Veneer	0.2	July 20	0.19	0.41	0.38
Trans-Natal Coal	10½¶	Aug. 25	10	18½	17
United Spring ...int.	0.55	July 21	0.5	—	1.45
Westbrick Products	1	—	1.9	1.5	2.92
West Rand Consd. ...int.	7½¶	Aug. 4	3	—	13

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Increase to reduce disparity. § For 15 months. ¶ South African cents.

Eva well up despite stock discrepancies at Stockfis

DESPITE A much lower than expected contribution from Robert R. Stockfis (Manchester), due to stock discrepancies in a subsidiary, Eva Industries has managed to push up group pre-tax profits from £2.42m to £3.01m in the year ended March 31, 1978, after being ahead from £0.87m to £1.15m at halftime. But for certain abnormal events the profit would have been appreciably higher, the directors state.

For the seven months since the date of acquisition to March 31, 1978, Stockfis contributed only £49,000. The directors point out that shortly after the acquisition of Stockfis, a 60 per cent. owned Central and Sherwood offshoot, serious discrepancies concerning stock and other items in a principal subsidiary came to light.

They say that these discrepancies not only cast doubt on the accuracy of the Stockfis group accounts of earlier years but also mean that its profits for the year ended August 31, 1977, fell significantly short of the forecast made at the time of the acquisition. This reduced level of profit in the subsidiary concerned continued after August 31.

The Board of Eva in conjunction with advisers is actively investigating the steps open to it in this matter.

At the time of the acquisition the directors of Stockfis were looking to profits for 1976-77 in excess of the £372,308 achieved in 1975-76.

Members are told that a detailed review of the operation of the subsidiary concerned and the other Stockfis companies has been completed and several changes made to strengthen the Board. The directors are now confident that with the impact of Eva management disciplines and with the backing of the total resources of the Eva group, the acquisition will prove a useful addition to the group, particularly as the other subsidiaries of Stockfis are fulfilling expectations.

The directors point out that due to the temporary increase in the value of sterling as against the dollar, profit margins of group exports were eroded in the final quarter of 1977-78. This situation has subsequently been reversed.

Regarding 1978-79 the directors report that the group total of individual company budgets is not unacceptable to the Eva Board.

Earnings per 25p share before extraordinary items and exchange losses came through at 21.6p against 20.4p. The dividend is being increased from 3.64p to 4.8p net, with a final of 2.9p.

● comment

In spite of the Stockfis shortfall and lower export margins, Eva Industries has managed to turn in a creditable performance. Full year profits are almost a quarter higher, thanks mainly to better UK sales of specialist tools (torque wrenches, etc.) for the automotive industry and improved exports of plantation hoes and machetes, mainly to Africa and Indonesia. Also, Eva has expanded market share with its heat treatment services while there has been increased demand for specialist brake units from British Rail's Advanced Passenger Trains. The big disappointment is, of course, Stockfis. On the basis of the pre acquisition forecast, at least £0.22m profits might have been expected, but stock discrepancies of around £0.35m reduced this to £49,000. However, corrective action should enable a recovery in the current year, when about £0.3m could be expected. Elsewhere growth will come from Brazil where Eva has won a £1.8m order from the state railway system. At 90p, the shares are on a p/e of 4 on a low tax charge, while the yield is 8.3 per cent—Dividend cover is 4.5 times.

Sumrie Clothes higher

AFTER AN £82,000 turnround to a £53,000 profit at halfway, Sumrie Clothes ended the April 1, 1978 year with taxable profit ahead from £93,000 to £203,000. Turnover rose from £3.9m to £4.41m.

Profit was struck after bank interest of £21,000 (£60,000) and is subject to tax of £114,000 (£52,000).

Directors say the forward order position to date shows a satisfactory upturn, and while it would be imprudent to be over-optimistic, they believe the steps they are taking in re-organisation will increase the group's productive capacity. This is expected to develop hand-in-hand with increasing demand for its merchandise.

The dividend is lifted from 1.25p to 1.5p net per 20p share. Treasury approval has been obtained for the 20 per cent rise.

McCorquodale up £0.5m to £2.3m at halfway

WITH MOST sections of its business showing steady improvement pre-tax profit of McCorquodale and Co. jumped from £1.73m to £2.27m in the March 31, 1978, half-year.

Turnover for the period was up from £23.26m to £27.19m before a £1.86m (£1.8m) share of associate sales.

Mr. A. McCorquodale, the chairman, says that as the benefits of the recent management actions begin to work their way through to profits, the Board faces the future with confidence.

After tax, less investment grants of £603,000 (£463,000) net profit of the printing and stationery group was up from £1.27m to £1.66m, before minority interests of £9,000 (same) and extraordinary losses of £239,000 (£258,000).

The extraordinary items principally comprise the unrealised net loss on exchange arising from revaluing overseas assets and foreign currency liabilities at March 31 exchange rates.

Earnings per share before extraordinary itmes are shown at 32.42p (24.67p).

The interim dividend is up from 4.5p to 5.75p net per £1 share. A 9.7p final was paid last year from record profits of £3.03m.

● comment

McCorquodale's first-half performance is the result of a combination of domestic and overseas improvements. At home higher productivity was achieved from new equipment, the benefits of previous rationalisations worked their way through to profits and there was a slight increase in market share in most of the market areas. Overseas the losses from the United States Falconer group were lower than last year and the associate companies in Brazil continued to improve. But the group as a whole is facing flat trading conditions in the second half and the size of the order book is virtually unchanged from six months ago. Still in late March Falconer began to increase the volume of work and this increase has continued. While losses are still being sustained the future outlook there is looking brighter. The market reacted favourably to the 30.8 per cent jump in pre-tax earnings and the share price closed 17p higher at 290p. Assuming a maximum dividend the yield is 8.3 per cent.

Further expansion by Feedex

All divisions of Feedex—animal feeds, agricultural engineering, pig production, and farm supplies—showed increased market penetration in 1977, with group turnover up by 35 per cent.

Most of the profit on this increased turnover came in the second half, points out Mr. John Williams, chairman, who sees the results as "a positive indication of the continuing improvement in pig returns." Second half-year profits before tax were a record £504,606.

Despite difficult market conditions in the first half, feed tonnage rose by 7 per cent, and restored margins produced a "satisfactory contribution."

Engineering sales and profits were a new record, particularly in sales of grain handling and storage systems.

Future prospects for pig production and marketing are "more encouraging," and Mr. Williams believes that a more sympathetic understanding of pig producers' problems by Government and industry will lead to more stable conditions.

For 1977 as a whole group pre-tax profits fell from £927,595 to £820,788. CCA profit is shown at £880,721.

The chairman says that group policy continues to be to expand within the agricultural industry, and this will be achieved by developing and utilising the full potential of existing investments, together with a vigorous pursuit of any possible acquisition which would strengthen and consolidate the group structure.

The year-end balance sheet is stronger—overdrafts have been cut from £0.72m to £0.25m.

ISSUE NEWS

Hunting floating oil and gas interests

THE OIL and gas interests of three companies within the Hunting Group are being put together and partly sold to the public through an offer for sale of 2.7m shares at 85p each next month.

The energy interests of Hunting Association Industries (HAIL), Hunting Gibson—two quoted companies—and Hunting Holdings (HH)—a private company—are being channelled into a new company called Hunting Petroleum Services.

Hunting Petroleum has conditionally agreed to acquire the relevant subsidiaries of Hail Gibson and HH in exchange for 7,875,000 ordinary 25p shares and 1.25m deferred shares in the new company.

Of the 2.7m shares to be offered to the public, 1m will be sold by Gibson, which has come under considerable strains due to problems in its shipping business. Last May Gibson reported a loss of £3.9m for 1977 compared with a profit of £3.3m the year before.

The balance of 1.7m shares are new and will raise £1.2m for the company. This will be used to finance expansion in the areas of drilling and oilfield services and heating oil distribution.

The chairman, Mr. Lindsay Clive Hunting, said yesterday that the intention to float off the oil and gas industries as a separate identity had been planned at least two years ago and was not a direct consequence of the financial problems facing Gibson. However, the disposal is obviously timely and if this had not gone through some other asset would most likely have had to be sold.

Capital split

Under the terms of the deal HAIL will receive 2.62m ordinary shares giving it 24.3 per cent of the equity in Hunting Petroleum. The net assets it will be disposing of amount to £658,000 from which pre-tax profits of £391,000 were earned in 1977.

Gibson will hold 30 per cent of the equity in the new company after its 1m share disposal—2.5m ordinary shares and 750,000 deferred. In terms of assets Gibson will be handing over £2.24m while profits were £1.1m pre-tax in 1977.

The private company, Hunting Holdings, will end up with 20.8 per cent of Hunting Petroleum including 1.75m ordinary shares and 0.5m deferred.

The offer will put 24.9 per cent of the capital in the hands of outside holders.

Hail, Gibson and HH have all indicated that they regard the holdings as long-term investments and will not be disposing of any shares within the next 12 months.

Hunting Petroleum will be treated as an associate by HAIL and Gibson in the future.

The pro forma profit record for the companies that are coming together to make up the new company is erratic. The five-year break-down shows trading profits of £1.66m in 1973. In 1974 they were inflated by the effects of the oil crisis and leapt to £2.68m, only to drop back to £1.65m the following year. In 1976, profits were down to £1.25m, partly as a result of a £385,000 provision against Gibson's interest in the Wascana companies in Canada. This was the result of restrictive policies on crude oil exports to the U.S.

£2.4m forecast

Last year, profits bounced back to £2m and the group is forecasting £2.4m pre-tax for the current year. After a 48 per cent tax charge and minority interests of £390,000 earnings per share of 9.8p are indicated.

The directors are forecasting total dividends of 4.65p net per share, which would be covered nearly 2.4 times. The fully diluted p/e is 8.68p on the placing price.

In 1977, around 80 per cent of profits originated in Canada, where the group is active in the marketing and distributing of crude oil. Profits from this source are basically related to the Canadian domestic market.

Crude oil is purchased, mainly at the well-head, for resale throughout Canada. Since 1975, the Alberta Petroleum Marketing Commission has stepped in as the sole marketing authority for most crude oil in the province. To date this new arrangement has not affected the trading results of the operation.

Profits from drilling and other oilfield services amounted to £360,000 in 1977, oil and gas exploration chipped in £382,000, heating oil distribution £82,000 and oil broking dropped into the red by £11,000 after a loss on sale of a vessel and additional depreciation of £248,000.

The offer for sale is being handled by Robert Fleming—the same house that handled the highly successful Eurotherm issue—and brokers are de Zoete and Bevan.

Dealers in the market last night were talking in terms of a good response to the offer and a premium of perhaps 10p when dealings start, though with the actual offer date some weeks away they were only making tentative predictions.

Subject to shareholders' meetings on June 30, approving the sale, the prospectus will be published on July 3.

See Lex

Brooke Tool rights

Brooke Tool Engineering (Holdings) has made arrangements to raise £570,000 by way of a rights issue.

Stockbrokers E. B. Savory Milln announced yesterday afternoon that it had completed the sub-underwriting for the proposed issue. Full details will be published today along with Brooke's interim figures to the end of March.

Brooke's record has been far from impressive. In the last ten years it has produced pre-tax profits only three times. In the year ended September 1977, pre-tax profits amounted to £161,700 (£54,900) and the company paid its first dividend—amounting to 1p per share—since 1968.

The rights issue will include a dividend forecast of 3.75p per share for the current year. The new shares will not rank for the interim payment.

See Lex

Fredk. H. Burgess

FOR 1977 Fredk. H. Burgess reports an advance in pre-tax profits from £2.21m to £3.4m.

This includes a full contribution from Bamfords, which became a subsidiary during the year, for the 15 months to December 31, 1977.

Sales increased by over £26m, to £33.09m of which £10.3m was within the group as constituted at the beginning of the year.

The trading profit of £5.71m compares with £3.07m, with depreciation requiring £0.83m (£0.39m) and interest £1.34m (£0.63m).

Since the year end, the group has raised £2.5m by an issue of Participating Preference Shares to certain institutions.

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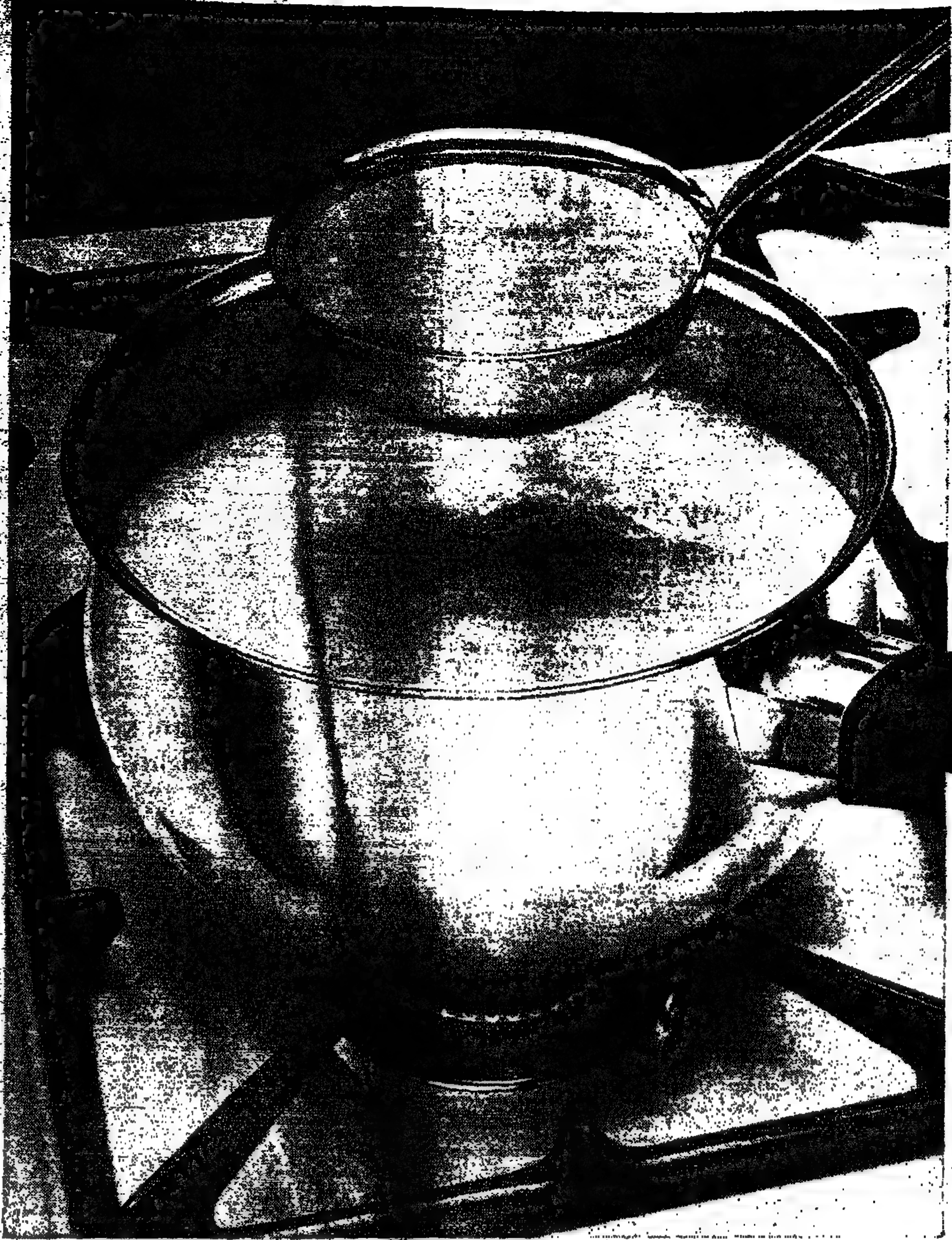


If you have a metallurgical problem, your wife may be the first person you should talk to.

If you make products that involve metal, and if that metal fails under the conditions it is subjected to, the answer may be nearer than you think. Watch your wife using a stainless steel saucepan and let your mind go to work.

That pan has to cope with fierce heat and sudden temperature changes. It gets scraped and scratched by spoons, forks and knives. It gets a thorough scouring every time it's washed up.

And it stands up to the lot. That's why Prestige make their handsome saucepans from BSC stainless steel.

Partly for its gleaming good looks... but mainly for its long life of absolute hygiene where food preparation is concerned. (Prestige also guarantee every piece for ten years!)

So if you are involved in designing with steel or aluminium, brass, or copper, think again about stainless.

Of course, it can cost more initially. And by increasing the materials content, you push up your price. But don't dismiss stainless until you've done your sums right through, because often you'll find two things.

The longer life of the product makes the added cost worthwhile.

And you gain the two extra selling points of higher quality and cheaper maintenance.

Yes, think again about stainless. Find out the current facts about our range of thirty different types. And remember, our back-up service is always at your service, particularly in matching the performance of our steels to your exact needs.

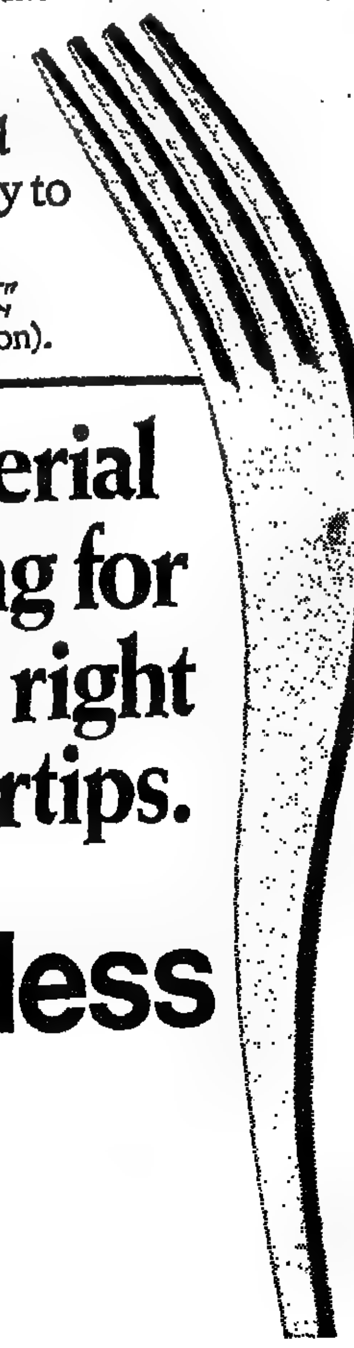
Write to Mike Whitecross, BSC Stainless Marketing, PO Box 150, Sheffield S9 1TQ.

The cost of corrosion The Hoar Report* estimates Britain's losses from corrosion as costing us a horrifying three-and-a-half thousand million pounds.

Much of this loss is preventable. Stainless steel is the supreme example of an existing material that must be used more fully for its superb resistance to corrosion.

And British Steel has already invested £130 million in plant to double our capacity to supply it.

*"A Survey of Corrosion and Protection in the UK," published by the D.T.I. in 1971 (figures adjusted for inflation).



The material you've been looking for could be right at your fingertips.

BSC stainless

MINING NEWS

High copper values at Victorian prospect

BY PAUL CHEESERIGHT

BP MINERALS and Western Mining Corporation have encountered more encouraging mineral values at their joint exploration venture near Benambra in the Australian state of Victoria.

The latest drill holes results, announced yesterday, confirm the original impression, received last month, that the joint venturers have discovered a potentially significant base metals deposit.

Over a width of 16.3 metres at diamond drill hole No. 18, the assay results of the sulphide mineralisation were 9.9 per cent copper, 4.8 per cent zinc, 0.3 per cent lead and 38 grammes of silver per tonne.

This hole is 50 metres away from drill hole No. 17, where the companies first found mineralisation, thus suggesting the presence of at least a small orebody.

The main difference between the two holes is the sharp increase in the copper grade. At hole No. 17 it was 4.0 per cent. The lead grade is little changed, but the zinc values in hole No. 18 are appreciably lower than those at hole No. 17, where they averaged 7.3 per cent. The silver grade at hole No. 17 was 32 grammes a tonne.

It is likely to be some months, *however, before it is possible to* see whether this early promise is translated into tangible hopes that a commercial orebody has *been discovered.*

"Drilling is continuing but the completion of the next hole on the *prospect may be delayed due to the difficulty of access during* the winter," BP Minerals and Western Mining said.

The real significance of the two *holes will not be apparent until* a drilling programme lasting about two years has been completed. Should the *programme be successful in turning up the* same sort of mineral grades, then a very rich deposit will have been found, placed handily near lines of communication. Melbourne is about 95 miles away.

When the result of hole No. 17 were announced last month, after the drilling of 16 others which drew blank, there was a flurry of *interest in Western Mining* shares. This was repeated yesterday and the price closed in London 8p higher at 135p.

STEADY OUTPUT AT GOPENG

Tin concentrate output at **Gopeng Consolidated**, the *Malaysian producer, continued* steadily in May, the latest statistics reveal. But the cumulative total after eight months of the financial year at 1,122 tonnes is 147 tonnes behind that of the previous financial year.

Comparative outputs for the group mines on a monthly basis are:

	May tonnes	April tonnes	March tonnes
Gopeng	119½	135½	153
Tanjong	14	19	24
Idris	19	14	17
Pengkalen	9½	7½	17½

Sabah demands compensation for pollution

THE GOVERNMENT of the East Malaysian state of Sabah has *filed a M$12m (£2.75m) claim* against the **Japanese Overseas Mineral Resources Development Corporation** for damage caused to rice fields and rivers by effluents from its copper mine in the state, reports **Wong Sulong from Kuala Lumpur.**

The Chief Minister, Datuk Harris Salleh, who met OMRD officials yesterday, said that since 1975 when the company's copper mines began production in Mamut, 70 miles from the capital of Kota Kinabalu, thousands of acres of riceland and dozens of rivers, used by the people nearby for drinking and bathing, have been polluted.

OMRD has so far paid out M$600,000 in compensation to farms and another M$140,000 is expected to be paid next month.

Datuk Harris said that if the company is disputing the claim, it could engage its own consultants to assess the damage.

OMRD has been given a concession to exploit the copper deposits at Mamut, believed to be among the richest in Asia, and has so far exported M$160m worth of concentrates to Japan for refining.

The company recently disclosed that it would spend M$34m on anti-pollution equipment, including the building of several dams and ponds.

QUEBEC TO HELP LOCAL INDUSTRY

Detailed plans to help the Quebec mining industry will be unveiled by the provincial Government next week, Mr. Yves Berube, the Minister for Natural Resources, said in Montreal *yesterday.*

Over the next three years the Government will spend C$17.5m *(£8.5m) on exploration* and C$26.5m on development.

The provincial Government's anxiety to help the mining industry became apparent last September and a Ministerial committee was established to ponder ways of giving tax incentives to investors in mining securities.

Civil service studies had shown that exploration for base metals had declined and that new reserves were being found only at roughly the same rate as *extraction.*

The provincial Government's plans will provide for direct intervention in exploration, the grant*ing of low interest loans to* develop private reserves and the signing of long-term supply agreements with foreign Governments *in the hope of stabilising prices.*

Buffels pays high final

BUFFELSFONTEIN, the Klerksdorp gold and uranium producer in the **General Mining group**, yesterday declared a final dividend for the year to the end of June of 110 cents (69.6p), bringing total payments for the year to 170 cents against 130 cents in 1976-77.

The interim at **Stilfontein**, the partner of Buffels at a new uranium development is 16 cents *(10.1p)*, breaking a string of 11 cents payments. The total distribution in the year to December 1977 was 32 cents, the same as *in 1976.*

Elsewhere in the group, West **Rand Consolidated** is paying an interim of 7.5 cents (4.7p) for the year to December. *During 1977* total payments were 13 cents.

Japanese seek Indian coal

JAPANESE COMPANIES have indicated they want a long-term *import arrangement* for Indian coal. This *forms* part of a plan to import 8m tonnes of coal annually in the next few years *in preparation for when India* switches from oil to coal in domestic power stations, **writes K. K. Sharma from New Delhi.**

A number of delegations from Japan have held talks with the Indian Government in the past few weeks and have shown interest in importing superior grades of coal. No commitment has yet been given, but Indian officials are studying the possibilities.

India's reluctance to conclude immediate long-term contracts is due to the *small quantity* available for export, lack of transport facilities to ports and handling facilities at ports. For the next *four or five years estimates* are that exports cannot exceed 1.5m tonnes annually.

Long-term contracts with Japan will depend mainly on the price offered and on whether a price protection clause is included to raise prices when necessary. This will also have to be high enough to *finance* the cost of the infrastructure created for transport of coal.

BIDS AND DEALS

OFT decision on Monk stake expected shortly

THE Office of Fair Trading, which is currently considering whether to *recommend* referral of the 29.95 per cent Saint Piran stake in **A. Monk** to the Monopolies Commission, will not be bound by its *decision on the stake* if it comes to a full bid. The OFT could decide not to recommend referral of the stake but *then change its mind if Saint* Piran attempted to establish greater or complete control.

The OFT has been examining the case since March and is expected to release its verdict within the next two weeks.

The Saint Piran stake in Monk fell within the scope of the OFT because it constitutes a "material influence" in a company whose assets exceed £5m. While there is no formal definition of material influence, OFT sources indicate that a stake between 25 per cent and 30 *per cent even* without Board representation, is considered as such because the shareholder would be in a position to *block special resolutions at share*holders' meetings.

If Saint Piran can convince the OFT that the holding is purely an investment *and no* attempt will be made to use the shareholding to influence the direction of the company, the OFT could take a lenient view.

However, if Board representation is sought and received this could shift the position into the next category in which a shareholder has the ability to control the policies of the company.

This category is *not rigidly* defined but it generally involves a single shareholder holding between 25 per cent and 50 *per cent of the shares while the rest* is widely distributed.

The final category *is* where a shareholder has, or attempts to get, full legal control of a company. The OFT, under the merger and proposed merger sections of the Fair Trading Act, has an obligation to investigate and recommend whether or not the proposal should be referred to the Monopolies Commission for a full *investigation.*

A & W—UNION TO SEEK MONOPOLIES REFERENCE

Union representative from **Albright and Wilson** and full-time chemical industry union officials are to seek TUC involvement in their fight to prevent the takeover of the company by Tenneco, the U.S. conglomerate.

The union delegation held talks yesterday with the Office of Fair Trading to urge that Tenneco's £97m bid should be referred to the Monopolies Commission.

Mr. Roger Lyons, national chemicals officer of the Association of Scientific Technical and Managerial Staffs, said after the meeting that with the exception of ICI *there* would be little of the UK-owned chemicals industry left if Albright was to be sold to the U.S.

"*There is little reason for foreign companies to give priority to the UK industrial strategy,*" he said, but Albright played an *important role in the high value* added sector of the UK chemicals industry.

The unions are to meet the Department of Industry on June 19 *for talks about the takeover.* If no reference is made to the Commission it will urge intervention by the DoI.

RIGID CONTAINERS

RIGID CONTAINERS has acquired **John Rostron (Holdings)** and its *subsidiaries.* Combined annual turnover of the new group will be in the region of £18m.

Rigid manufactures corrugated cases and corrugated paper from factories at Desborough, Northamptonshire and Crudwell, Wiltshire, while Rostron makes these products in its Selby, Yorkshire factory and additionally produces paper, paper tubes and gummed tape.

NO PROBES

The *Secretary of State for* Prices and Consumer Protection has decided not to refer the following mergers to the Monopolies *and Mergers Commission:* Newman Industries and a substantial minority holding in Avdel International; Capital for Industry and Cray Electronics; *Aurora Holdings* and Samuel Osborn.

CORNERCROFT

Armstrong Equipment's wholly-owned subsidiary Armstrong Patents yesterday purchased a *further 11,000 ordinary shares in* Cornercroft at 65p per share. This brings the total holdings of Armstrong and Armstrong Patents to 996,160 ordinary shares (39.65 per cent).

PERTWEE EXPANDS

Pertwee Holdings, the privately owned agricultural merchanting and fertiliser group, is to acquire *G. Twyman and Sons*, the Kent based agricultural and horticultural chemical specialists. The combined group will have an *annual* turnover of over £22m.

According to Pertwee, the activities and geographical spread of operations of the two companies are complementary.

ALBERT FISHER

Albert Fisher Group has disposed of the property, goodwill and certain vehicles of its Peterborough branch, trading as *George Meadows, fruit and veget*able merchants for £76,000 cash.

SHARE STAKES

Laporte Industries (Holdings)—Kuwait Investment Office has sold 150,000 ordinary shares leaving total interest of 2,725,000 (5.80 per cent.).

John Foster and Son—Interest of Bank of Scotland West End *Nominees* has been reduced to less than 5 per cent of capital as a result of the disposal of 75,000 ordinary shares.

Capital and County Laundries—Advance Laundries, on May 25, held 50,000 ordinary shares.

UDS Group—H. I. Connick has *purchased* 5,000 ordinary *shares* as a trustee with no beneficial interest, and B. Lyons has purchased 50,000 beneficially.

Beatson Clark and Co.—Mr. D. Beatson Clark, director, has sold 5,000 ordinary shares. His beneficial holding is now 227,093 shares (5.34 per cent) and his non-beneficial holdings is 50,000 shares held as trustee.

Slough Estates—G. N. Mobbs and J. B. Backes, as executors of the estate of the late C. A. Mobbs sold on May 31 150,000 ordinary shares.

West Bromwich Spring—F. A. *Smith, director, has sold 40,912* 11.5 per cent cumulative preference shares held beneficially.

Safeguard Industrial Investments—Refuge Assurance now holds 1m ordinary shares (9.09 per cent).

"W" Ribbons Holdings—BSG International has acquired a further 20,000 ordinary shares and is now the beneficial owner of 290,000 *(5.36 per cent).*

Chaddesley Investments—Sunev Finance Company has disposed of holding amounting to 330,000 shares.

Brown and Tawse—C. Walker and Sons sold 200,000 shares on May 31.

Following this sale, Mr. J. Walker is interested in 1,061,000 shares (10.49 per cent) of which 901,000 (8.91 per cent.) beneficially owned by C. Walker and Sons.

Dorada Holdings — Bumalux Holdings SA has increased hold*ing to 414,500 shares (10.02 per* cent).

Intereuropean Property Holdings—Mr. L. P. Marsh, Mr. J. S. Kornis and Mr. J. H. Corre bought jointly 25,000 shares.

Mettoy Company — Mr. H. Ulmann, director, bought 100,000 ordinary shares.

Clive Discount Holdings—Mr. M. C. Rawlence, director, sold *40,000 ordinary shares.*

McNeill Group—Halliday, Simpson and Co. has purchased 2,500 ordinary shares on behalf of interests of Mr. G. Ferguson-Lacey and Mr. R. C. McBride. This purchase will be registered in the name of *Manchester* Nominees. Mr. Ferguson-Lacey and Mr. McBride now hold 524,000 ordinary shares (19.24 per cent).

Tebbitt Group—Tiger Securities holds 1,067,040 ordinary shares (14.82 per cent). Mr. R. J. Knight, a director, holds 132,960. Dr. H. Fletcher, a director, holds 200,000 and Mr. M. F. Briggs, a director, holds 100,000.

Scottish Ontario Investment Company—Steetley Company has an interest in 30,000 5 per cent *preference shares (5.9 per cent).*

Kenning Motor Group—Prudential Assurance as a result of recent increase in capital now holds less than 5 per cent.

Cope Sportswear—H. M. Ross now owns 355,424 shares (7.69 per cent).

Stenhouse Holdings—A director, Mr. Gavin Boyd, has notified the company that, as a result of re-arrangement of certain of Stenhouse family interests, his non-beneficial interest as a trustee in the ordinary shares has been reduced from 11,689,106 shares to 1,350,488 shares. The *re-arrangement of Stenhouse* family interests did not involve the sale of any shares.

Jenks and Cattell—Anglo Indonesian Corporation's wholly-owned subsidiary — Central Province Ceylon Tea Holdings—has acquired further 38,200 shares making total 271,000 (12.32 per cent).

Hall Engineering (Holdings)—*Hall Engineering (Holdings)* works *retirement* benefit scheme 1974 has acquired 50,000 shares. R. N. C. Hall and D. R. Tudor, directors, are trustees of the pension scheme.

General Accident Fire and Life—Kuwait Investment Office has increased its holding by 50,000 shares to 12.21m (7.4 per cent).

Ellis and Goldstein (Hldgs) — W. *Goldstein, director, has sold* 100,000 shares at 25p.

Laporte Industries (Hldgs) — Kuwait Investment office sold on May 25 100,000 shares leaving holding at 2,625,000 (5.6 per cent).

James Neill Holdings — M. J. Mallett, director on May 26 sold 5,000 shares at 93p and on June 5 sold 10,000 at 97p.

Joseph Shakespeare — Britannic *Assurance has bought 10,000* shares making interest 893,000 (9 per cent).

Moss Engineering Group — Britannic Assurance has increased its holding to 375,000 shares (8.13 per cent).

Whitbread and Co. — C. A. Sherman has acquired 81,000 "B" ordinary shares making total 931,700 (8.6 per cent). Transaction relates to a *change of trustee.* F. O. A. G. Bennett has taken up option on 29,000 "A" ordinary and has sold them.

Alexanders Holdings — Henry Clayton, director, and family interests on May 23 bought 2,000 9½ per cent preference shares at 71p, on May 25 50,000 ordinary shares at 18¼p and 20,000 at 18½p.

Thomas Borthwick and Sons — Sir John T. Borthwick, director, sold on June 2 50,000 shares.

Pressac Holdings — Directors, their wives and trusts sold 10.5 *per cent preference shares as* follows between May 30 and June 2—J. B. Wagstaff 40,000; J. B. Wagstaff Trust 21,200; G. Wagstaff 15,000; G. Wagstaff Trust 3,800; Mrs. A. M. Wagstaff 2,624; E. A. Greasley 2,315; Mrs. J. Greasley 99; F. C. Murdock 1,000.

Dawson International — Woodbourne Nominees has sold 30,000 shares reducing holding to 2,664,237 (15.44 per cent).

Hambros Life Assce.

Strong growth in all funds, both investment and pensions, for 1977 is reported by **Hambro Life Assurance.** Total assets of the *Hambro Managed Fund at the end* of the year amounted to £193m divided between equities 72 per cent, property 22 per cent and *5 per cent liquidity, with only* 1 per cent held in fixed interest and gilt securities. During the year the managers took advantage *of the favourable conditions in* the equity market to increase the equity holdings. The price of accumulation units rose by 31 per *cent during the year.*

The property fund at the end of 1977 stood at £104m, of which £25m was in deposit and other net assets. During the year the managers continued their investment programme in a selective manner and 13 new properties were acquired for £7.6m, while Beagle House, a large office building on the fringe of the City was sold for nearly £5m net.

Since the end of last year, the fund has made considerable progress with new purchases and *developments and new stands* at over £120m. The offer price of units in this fund shows an average annual growth of 7.8 per cent *per annum net of taxes* and management charges.

On the Pensions Managed Fund, the managers also favoured the equity market *last* year and committed substantial amounts of new money. The gilt component of the fund also rose substantially in 1977 as a result both of active trading and substantial rises in the prices of gilts. At the end of the year, the fund stood at £57.5m, split 53 per cent equities, 31 per cent fixed-interest and 16 per cent property.

The value of the Pension Property Fund stood at £25m at the end of 1977 with 11 new properties being acquired for *£3m. This fund has also* been active this year and now stands at £35m.

Looking to the future, Mr. Syd Lipworth, deputy managing director and property director, stated that the property market continues to be buoyant reflecting a strong institutional demand for first-class property and an improving letting market.

£853,000 for J. & W. Henderson

Taxable earnings of **J. and W. Henderson (Holdings)**, builders merchants, for the year to March 31, 1978, were £853,358 on sales of £31.14m. For the previous 15 months with sales at £34.46m, profit reached £1.2m following on a record 12 months at £1.06m in 1975.

In the first six months the surplus was ahead from £425,000 to £517,000. Earnings per 25p share *for the year came out at 25.1p,* before an extraordinary credit of £65,208 and a net final dividend of 4.2713p takes the total to *8.2713p (9.285p for 15 months).*

The group has written back a deferred tax provision of about £450,000 and a revaluation of properties has increased shareholders' funds with a surplus of £1,133,896.

OIL AND GAS NEWS

Sinai field gas reserves

THE gas field discovered in recent months at Sadot, near Rafah, in northern Sinai, has reserves of over 25bn cubic feet, according to the findings of an American expert, **reports L. Daniel from *Tel Aviv.***

The field was prospected and drilled by a partnership of Israel Oil prospecting (the umbrella for all oil/gas drilling activities in Israel), Paz Oil, Western Desert and an unidentified American investor.

According to unconfirmed reports, it is intended to lay a pipeline from the field to Beersheva and Arad, in Israel's Negev Desert, to supply suitable plants with the gas.

However, if Mr. Begin's proposal for the return of the whole of Sinai to Egyptian sovereignty should result in a peace treaty, the gas fields would clearly revert *to Egyptian hands*, and a special commercial agreement would have to be negotiated.

* * *

Petro-Canada and **Mobil Oil Canada** have announced a gas and condensate find below the 12,000 foot level at an offshore drilling site east of Nova Scotia.

An appraisal well, Thibaud 1-94, yielded gas at a test rate of nearly 14m cubic feet a day and condensate at 400 barrels a day.

The well was drilled in about 90 feet of water to appraise the extent of a 1972 gas find about six miles southwest of Sable Island made by Mobil Oil and Texas Eastern Transmission Corporation.

Additional drilling will be required to determine the extent of reserves before the possibility of commercial development is ascertained.

* * *

Marathon Oil has announced that recent drilling on High Island block A-568 in the Gulf of Mexico about 110 miles southeast of Galveston found natural gas.

Multiple pay zones were encountered at depths *ranging from* 4,200 to 8,100 feet.

Marathon Oil, Amerada Hess Corporation and Texas Eastern each have a 25 per cent interest in block A-568, while Louisiana Land Offshore Exploration and Louisiana Land Exploration each have 12.5 per cent.

The 5,760 acre tract was leased from the Federal Government in May 1974 for about $15.6m.

Bankers' Investment

REVENUE OF **Bankers Investment Trust** for the year to April 30, 1978, improved to a record £1,049,421, against £979,829 after *tax marginally up from £611,948* to £624,056.

Gross revenue reached £1.82m (£1.73m) and total assets less *current liabilities* increased to £31.4m (£28.75m) for a net asset value of 74p, compared with 67.2p per 25p share, including full *investment premium*, again at 6.1p.

Stated earnings per share were better at 2.594p (2.414p) and a final dividend of 1.05p takes the total to 2.55p (2.3p), net, costing £987,360 (£890,560).

COMPANY NOTICES

COMPAGNIE FRANCAISE DES PETROLES
S.A. Capital Stock of F 1 068 690 200
Head Office: 5 rue Michel-Ange, 75016 Paris
R.C. PARIS B 542 051 180

NOTICE FOR SHAREHOLDERS' MEETING

NOTICE IS HEREBY GIVEN to the Shareholders that they are to convene on Thursday, June 29, 1978, at the Company's Head Office, 5 rue Michel-Ange, Paris 75016.

(1) for an ORDINARY GENERAL MEETING, at 10.30 a.m., to discuss the following points on the agenda:

AGENDA

1—Report of the Board of Directors on operations and accounts for the year 1977: Auditors' Report.
2—Approval of said reports, accounts and Balance Sheet.
3—Income allocation and determination of dividend.
4—Appointment of one Director.
5—Approval of transactions covered by Article 101 of the Law Decree of July 24, 1966.
6—Setting of a redemption price for Class "A" shares until the next Annual *General Meeting pursuant to Article 11 of the Statutes.*

(2) For an EXTRAORDINARY GENERAL MEETING after the Ordinary Shareholders' Meeting is ended, to discuss the following points on the Agenda:

AGENDA

1—Authorization for the Board of Directors to issue convertible bonds into shares up to a maximum of F500,000,000 or an equivalent exchange value in any other currency, it being understood that preferential subscription rights will be waived.
2—Authorization and delegation of power to the Board of Directors to carry out capital increases as generated from the conversion of bonds into shares.

All shareholders who own one or more "A" or "B" shares are entitled to attend these Meetings or be represented therefor by a proxy shareholder or by their spouse.

However, in order to be able to attend these Meetings or be represented therefor, the shareholders who own registered shares should be listed on the Company registers five full calendar days before the Meetings are to convene. The shareholders who own bearer shares(s) should, within the same timespan, deposit their share certificates or certificates issued by the bank, the financial establishment(s) or broker with whom the said shares are deposited, in one of the following establishments:

—Banque de Paris et des Pays-Bas, 3 rue d'Antin, 75002 Paris.
—Crédit du Nord, 6 & 8 boulevard Haussmann, 75009 Paris.

The Annual Report may be obtained together with the proxy statements at *the London Office of Banque de Paris et des Pays-Bas,* Moor House, 119 London Wall, London EC2Y 5DR.

BOARD OF DIRECTORS

General Mining Group

DIVIDEND DECLARATIONS

NOTICE IS HEREBY GIVEN that dividends have been declared by the undermentioned companies, payable to shareholders registered at the close of business on 23rd June, 1978. The registers of members of the companies will be closed from 24th June, 1978, to 7th July, 1978, both days inclusive.

No instructions involving a change of the office of payment will be accepted after the last day to register.

The dividends are declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on the undermentioned currency conversion dates or the first day thereafter on which a rate of exchange is obtainable.

Non-resident shareholders' tax of 15% will be deducted from dividends payable to shareholders whose registered addresses are outside the Republic of South Africa.

Payment will be made by the transfer secretaries mentioned below.

The full conditions of payment may be inspected at or obtained from the London office of the companies or the offices of the transfer secretaries.

All companies mentioned are incorporated in the Republic of South Africa.

Dividends on shares included in share warrants to bearer of West Rand Consolidated Mines Limited, will be paid in terms of a notice to be published as soon as possible after the currency conversion date.

DIVIDENDS

Name of Company	Dividend No.	Per Share cents	Posting date	Currency Conversion Date	Description	Total Dividend for the year cents
Buffelsfontein Gold Mining Company Limited	42	110	3.8.78	24.7.78	Final	170
Stilfontein Gold Mining Company Limited	46	16	3.8.78	24.7.78	Interim	—
West Rand Consolidated Mines Limited						
—Ordinary Shares	94	7½	3.8.78	24.7.78	Interim	—
—Deferred Shares	55	42½	3.8.78	24.7.78	Interim	—
The Clydesdale (TvI) Collieries Limited						
—*Ordinary Stock*	138	9	24.8.78	14.8.78	Final	15
Trans-Natal Coal Corporation Limited	31	10½	24.8.78	14.8.78	Final	15½
The Griqualand Exploration & Finance Company Limited	54	24	24.8.78	14.8.78	Interim	—

By Order of the Boards
GENERAL MINING AND FINANCE CORPORATION LIMITED

London Secretaries,
per. V. G. W. DAYNES.

London Office:
Princes House,
95 Gresham Street,
London EC2V 7EN.

7th June, 1978.

Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, KENT, TN24 8EQ.

LEGAL NOTICES

No. 001697 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of OVERMARK SMITH WARDEN LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 24th day of May 1978 presented to the said Court by OVERMARK SMITH WARDEN LIMITED whose registered office is situate at Chile House, 20, Ropemaker Street, London EC2A 9BA, and that the said *Petition is directed to be heard before* the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 26th day of June 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for *the same.*

DURRANT PIESSE,
73, Cheapside,
London EC2V 6ER.
Ref: RJF/DSB.O. 3110.
Tel: 01-236 6313.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 23rd day of June 1978.

No. 001753 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of LIMEHURST TRANSPORT LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a *Petition for the Winding up of the above*-named Company by the High Court of Justice was on the 2nd day of June 1978, presented to the said Court by REED EMPLOYMENT LIMITED of 15 Sheet Street, Windsor, Berks., SL4 1AY, Employment Agency, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 3rd day of July 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

C. A. MADDIN & CO.,
6 Claremont Road,
Surbiton, Surrey,
KT6 4RA.
Ref: JP/MF. Tel: 01-399 0051.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 30th day of June 1978.

No. 001754 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ALCO WAREHOUSING LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 2nd day of June 1978, presented to the said Court by REED EMPLOYMENT LIMITED of 15 Sheet Street, Windsor, Berks., SL4 1AY, Employment Agency, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 3rd day of July 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

C. A. MADDIN & CO.,
6 Claremont Road,
Surbiton, Surrey,
KT6 4RA.
Ref: JP/MF. Tel: 01-399 0051.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 30th day of June 1978.

PUBLIC NOTICES

BARNSLEY METROPOLITAN BOROUGH COUNCIL

£1m. Bills issued 7.6.78 at 8⅞% to mature 6.9.78. Total applications £4m. Total outstanding £1m.

FIFE REGIONAL COUNCIL

£2m. Bills issued 7.6.78 at 8⅞% to mature 6.9.78. Total applications £20m. Total outstanding £2m.

STRATHCLYDE REGIONAL COUNCIL

£6m Bills issued 7.6.78 at 8⅞% to mature 6.9.78. Total applications £53m. Total outstanding £24m.

LOCAL AUTHORITY BILLS

£900,000 Northampton Borough Council issued 7.6.78 maturing 6.9.78 at 8⅞%. Applications totalled £9,900,000 and there are £900,000 worth of Bills outstanding.

SOLIHULL METROPOLITAN BOROUGH

£1,500,000 Bills due 6th September 1978, were offered on 7th June 1978, and were allotted at rate of 8⅞%. Applications totalled £15,500,000. These are the only Bills outstanding.

EXETER CITY COUNCIL BILLS

£400,000 Bills issued 7th June, 1978, due 6th September, 1978, at 8⅞%. Applications totalled £2,000,000. £400,000 Bills are outstanding.

Hanson Trust £0.2m higher at midway

FROM SALES of £288m, compared with £234.1m taxable profit of Hanson Trust edged ahead from £11.2m to £11.4m in the March 31, 1978 half-year.

Sir James Hanson, the chairman, says the results were achieved in a period of generally difficult trading conditions in the UK and U.S. Results were reduced some £0.4m by currency movements.

On the U.S. agriproducts side, where profits were down from £4.4m to £3.5m, he says that Seacoast finished its year slightly better than predicted owing to stringent cost controls during the winter months. Trading has been very difficult for Hygrade as a result of livestock shortages which caused overcapacity and high purchase prices in the industry.

In the U.K. the profit rise reflected management's efforts following the substantial investment in the Scottish agricultural industry in the past two years.

With the U.S. industrial services companies, Carisbrook was encouraged by good early sales and is now waiting to see how markets develop. The new acquisition Interstate United Corporation contributed to results.

In the UK the construction equipment companies performed well, fully justifying the group's increasing investment in this sector, the chairman says. At the same time it is glimpsing an improvement in the housing market.

Results for the full year are expected to be in line with the record £24.4m achieved last year.

Sir James says the group is below capacity in many locations and is therefore well placed to take advantage of any economic improvement.

Profit is subject to tax of £4.8m (£4.7m) and minority interests of £0.5m (£0.4m). Earnings per share are unchanged at 9p, while the dividend is lifted from 2.75p net per 25p share to 3.023p.

If dividend restrictions are removed, directors intend bringing shareholders' income more in line with the company's achievements. Last year a 3.5297p final was paid.

Net tangible assets are shown at 102p (100p at September 30) per share. A balance sheet shows net current assets £30.1m higher at £91.4m after six months and fixed assets up from £56.6m to £71.4m.

	Half-way 1977-78 £m	1976-77 £m
Turnover	288.0	234.1
Agriproducts		
U.S.	155.6	147.5
UK	14.5	10.5
Ind. services		
U.S.	86.0	35.3
UK	29.5	25.6
Businesses sold	—	15.2
Profit before tax	11.4	11.2
Agriproducts		
U.S.	3.5	4.4
UK	1.1	0.5
Ind. services		
U.S.	3.3	2.0
UK	3.4	3.2
Businesses sold	—	0.7
Property and other inc.*	0.1	0.4
Tax	4.8	4.7
Net profit	6.8	6.5
Minorities	0.5	0.4
Leaving	6.3	6.1

* Less interest and parent company expenses.

See Lex

Westbrick profits recover

RECOVERING FROM what the directors described as a disappointing result at midway, pre-tax profits of Westbrick Products finished the year to March 31, 1978 ahead £125,000 at £831,000. And this was after exceptional losses of £194,000.

At halfway when reporting a decline from £225,000 to £92,000 (after associate company losses of £43,000) the directors said it was too early to make a full year's forecast.

They now say that the group is currently in a much healthier state with the management able to concentrate on the ongoing activities which will benefit from actions taken.

The exceptional loss and an extraordinary deficit of £208,000 (£61,000) were necessarily incurred as a result of cleaning up actions undertaken, they add.

Before extraordinary items, earnings per 25p share are shown at 3.3p (5.9p) and after such items at a loss of 1.8p (earnings 4.3p). The dividend total is cut from 2.924p to 1.5p with a final payment of 1p net.

The company operates as a building component manufacturer.

£158,742 by Times Veneer

ALTHOUGH SECOND half profitability was improved, "The Times" Veneer finished 1977 with pre-tax profit down from £170,167 to £158,742, after a lower midway figure of £55,080 against £98,121.

Sales for the year advanced from £3.89m to £4.02m. After a tax credit of £3,240 (£93,512 debit) stated earnings rose from 1.09p to 2.3p per 5p share.

A final dividend of 0.2p makes the total payment 0.41p (0.376p) net—the joint managing directors and their families have waived dividends totalling £5,670 (£5,880).

The group's business involves the manufacturing and merchanting of timber, veneers and processed wood products.

Andersons Rubber over £106,000

Recovery in second-half taxable earnings from £1,686 to £49,126 by Andersons Rubber Company took profit from the year to March 31, 1978, from £72,192 to a record £106,420. Sales by the group, which makes and distributes protective clothing, industrial rubber products and allied power transmission equipment, were up £0.31m at £3.12m.

In December the directors said that the problems which arose during the second six months of the previous year had been largely overcome and they hoped for a satisfactory full year.

After tax of £30,831 (£38,984) net profit came out at £46,395 (£33,208) for earnings per 20p share of 5.82p (4.15p). The net total dividend is lifted to 1.552p (1.403p) with a final of 0.952p (0.903p).

GRE starts on dull note

REFLECTING the effect of the firemen's strike and weather-related losses in a bad winter, the first month of the current year for Guardian Royal Exchange Assurance did not produce satisfactory results.

At the annual meeting Mr. John Collins, chairman, said that on the motor side some improvement was expected in 1978 but the full effect of increased rates would not be felt until next year.

Overseas results were mixed and although there was an improvement in many operations Australia was likely to show a lower profit. However, he was still hoping that 1978 underwriting would be better than last year.

At other annual meetings yesterday, chairmen reported as follows:—

Brasway—Mr. R. A. Swaby reported that the group had exceeded its forecast of £200,000 in the year just ended. Restructuring of the group was still continuing and the chairman was in little doubt that current year profits would be well ahead.

Camrex (Holdings)—Mr. Alex Cameron warned that first-half profits would be down. The continued recession in shipping and bad weather early in the year resulted in profits being well below expectations. He expected the full year's result to be satisfactory. Mr. Cameron announced his resignation as joint managing director but remained as non-executive chairman. Mr. J. A. Witter becomes chief executive.

T. C. Harrison—Mr. T. C. Harrison announced a big increase in profits for the first four months of the current year and he expected a record result for the full term. Commenting on the Inland Revenue's resistance to a claim by another motor distributor for 100 per cent first year capital allowances in respect of vehicle leasing contracts Mr. Harrison said that it was difficult to see on what grounds the Revenue was resisting since there have been two previous test cases where claims of a similar nature have been allowed. Even if the Revenue succeeded he pointed out that the repercussions on the group would not affect earnings.

James Neill Holdings—Mr. J. H. Neill told members not to expect the same rate of profit improvement in 1978 as in the previous year. However he was reasonably confident that the group would reach a level of profit which would justify the higher dividend forecast at the time of the rights issue.

Ward White Group—Mr. George McWatters reported that profits in the first half of the current year had been running substantially ahead of those achieved in the comparable months of 1977.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Burco Dean, Grand Metropolitan.

Finals:—Airflow Streamlines, Anglo Shanks, Bardsey Investment Trust, Brown Shipley, Lockers, Brewery, Chesterfield Properties, Cullen's Stores, Dartmouth Investments, Diamond, Electronic Rentals, Lotinga and Mason, Guthrie, Hepton and Welch, Leech Interests, 600 Group, Triefus, UEO International.

FUTURE DATES

Interims:—	
Corn Exchange	June 17
Irish Distillers	June 26
Plessey	June 20
Saatchi and Saatchi Compton	June 15
Westland Aircraft	June 14
Finals:—	
Allied Retailers	June 15
Ariel Industries	June 12
Brownlee	June 12
Country & New Town Properties	June 14
Dawson International	June 19
Fairdale Textiles	June 9
Powell Duffryn	June 20

Orion hit by motor and fire claims

Orion Insurance Company, a subsidiary of the Dutch insurance conglomerate Nationale-Nederlanden, experienced an underwriting loss of £1.46m in 1977 on its home fire and accident account, which more than offset favourable results on the marine and aviation accounts.

Sir Antony Part, in his chairman's statement, points out that this account was significantly affected by the administrative problems experienced in handling a substantially larger motor portfolio together with a continued high incidence of motor claims. He also points out that the underwriting trend for household insurance continued to be adversely affected by the weather losses towards the end of the year. All possible steps had been taken to secure adequate sums insured and premium rates.

His statement also discussed the problems facing marine and aviation insurers at the present time. A considerable volume of "bread and butter" hull business was being lost by the London market to overseas markets willing to offer significant reductions in premiums. On the aviation account, over-capacity in the world market was leading to unrealistic underwriting and rate reductions. Nevertheless, the marine account recorded an underwriting profit of £800,000 for 1977 together with a profit of £450,000 in respect of prior years, while the aviation account had a profit of £250,000.

Investment income amounted to £4.39m, a real rise of 18 per cent over 1976 when adjusted for exchange rate fluctuations. The effect of the decline in UK interest rates was more than offset by investing a higher proportion of funds in British Government securities and U.S. dollar bonds. Pre-tax profits last year rose marginally to £3.64m from £3.62m and the amount paid in dividends remained unchanged at £650,000.

Sir Antony, in reviewing future prospects, deals with the measures taken to strengthen the management, particularly in the home fire and accident department where trading results have been unsatisfactory for a number of years. An experienced underwriter had been recruited to be manager of the motor account and other appointments were currently being negotiated. He warns that the changes in hand would not have more than a marginal effect this year but that prospects for improved results thereafter were much brighter.

Compco ahead at midway

Subject to tax of £30,749 compared with £21,586, profit of Compco Holdings improved from £23,848 to £39,495 in the September 25, 1977 half year.

Directors say that subject to the satisfactory outcome of current rent review negotiations, second half profit should be higher than that earned in the first six months.

Profit for all last year totalled £49,839. Dividends were last paid in 1972-73.

P. Henderson poised for upturn

Mr. Pat Gaynor, chairman of the P. C. Henderson Group says that the group is well on the way to overcoming some of its problems and he is now confident that the group has an excellent opportunity to move ahead steadily over the coming years.

The group has rationalised production at the door closer factory in Birmingham; transferred roller shutter manufacture to Enfield; and cut back operations in the industrial door market in France.

This has called for provisions of £316,000 which the chairman expects to cover all anticipated costs and losses resulting from the necessary action taken to deal with these unsatisfactory parts of the group. He is confident that this action will bring substantial benefits to future group profits.

In the year ended March 4, 1978, group pre-tax profit amounted to £1.33m to £1.38m. On an inflation adjusted basis the figures are shown at £912,000 (£597,000), after additional depreciation £155,000 (£113,000), cost of sales £384,000 (£317,000), plus gearing adjustment £124,000 (£149,000).

Group turnover topped £30m and this necessitated higher inventories and debtors which are financed partly from retentions but also by the greater use of bankers' facilities. At the year end stocks were up from £4.82m to £5.34m while overdrafts were higher at £2.5m against £1.3m.

In the current year the group is giving much attention to the control of working capital and in particular to improved systems and greater effectiveness in the management of physical stocks. The need for this is of "paramount concern" in the light of the group's expansion plans over the next two years.

Meeting, Hornchurch, June 30 at 12.15 pm.

New service from Lloyd's Life

Lloyd's Life, the life company controlled by Lloyd's of London Corporation and stockbrokers Kemp-Gee, have combined to introduce a new investment service for small investors. This is termed "Stockbroker Funds" and consists of an internal fund operated by Lloyd's Life but where the investment management is handled by the stockbroker.

The prime purpose of this move is to enable the stockbrokers to deal directly with the client's money without incurring the high costs of handling it on an individual basis. Many stockbrokers already operate in-house unit trusts to deal with equity investment for small clients—Kemp-Gee has two funds. But this solution is not available for gilt-edged investment.

Therefore Kemp-Gee has linked up with Lloyd's Life to operate an in-house fund which will invest primarily in the gilt-edged market and handle the investment management of the fund. The stockbrokers can thus put his smaller clients seeking gilt-edged investment into this fund. The bond is already available for lump sum investments and it is hoped that a regular savings 10-year high investment plan will shortly receive approval from the Inland Revenue as qualifying for tax relief.

The use of this method for gilt-edged investment means that the client also receives tax advantages in that the fund is taxed as a life fund with special tax rates, instead of having investments taxed on an individual basis.

South of England Bldg. Society

The pre-tax surplus of South of England Building Society increased from £1.5m to £2.1m in the April 4, 1978 year, and assets jumped from £175.39m to £213.91m. From October the society merged with the Brighton and Shoreham Building Society.

For the period there was a net increase in investors' balances of £36.32m, and a £22.89m (£24.04m) net increase in mortgages, with £41.71m advanced on a total of 4,547 new mortgages.

At the year-end the liquidity ratio was 31.2 per cent and the reserve ratio 4.48 per cent.

Mr. G. G. Rogers, the chairman, says the society is currently enjoying a good inflow of funds but in order to comply with Government policy mortgage lending is being curtailed.

Proposals are in hand to change the rules of the society to allow it to pay pensions to any retiring directors, particularly in connection with mergers.

HALLAM'S LOSSES EXCEED RESERVES

As losses continue to exceed available reserves at Hallam Group of Nottingham, the directors say the preference dividend for the half-year to June 30, 1978, due on that date, cannot be paid.

Preference dividends have been in arrears since July 1, 1970.

IN BRIEF

ARCHIMEDES INVESTMENT TRUST—Interim dividend on income shares of 2p (1.62p)—increase to reduce disparity and board expects at least to maintain total dividends for year of 5.15p. Net income half year to April 30, 1978, £31,727 (£28,364) after tax £17,294 (£15,327). Net asset value per capital share after provision for tax on unrealised gains 80.1p (69.2p).

GLENMURRAY INVESTMENT TRUST—Pre-tax revenue half-year to April 30, 1978, £97,319 (£73,829). Tax £41,207 (£32,190). Net asset value per share 101.3p (82.1p, October 31, 1977). Earnings per share for year 1977-78 estimated at 1.9p (1.77p). Interim 0.75p (0.7p) already announced.

C. B. JACKSON ASSOCIATES (computer services)—Turnover for 1977, £423,415 (£291,669), pre-tax profit £22,565 (£20,018) after bank interest £1,063 (£514). Tax £13,188 (£10,175), extraordinary debits £1,344 (£5,259), retained profit £3,076 (£1,308 loss). Results to date indicate company is on target to exceed target of £800,000 turnover in 1978. Fixed assets £37,231 (£25,746), net current assets £38,687 (£13,900)—bank overdraft £23,924 (£8,888). Meeting, Leythorne, Chichester, April 27, 4.30 pm.

JACKSON GROUP (civil and mechanical engineering and construction)—Results for 1977 already known. Group fixed assets £1.45m (£1.11m) net current assets £801,168 (£777,893). Net liquidity down £392,000 (up £105,000). The directors expect another record year in 1978.

KILLINGHALL TIN—Output for May 701 piculs (42 tonnes). April 47 tonnes.

OCEANA DEVELOPMENT INVESTMENT TRUST—Dividend 0.42p (same) year to March 31, 1978. Revenue £1,032 (£3,426) after tax £1,455 (£1,618). Earnings per 25p share 0.58p (0.65p). Net asset value per share 29.6p (27.1p).

PETALING TIN—May output 130 tonnes (April 133 tonnes).

STANDARD FIREWORKS — Trading profit for year to March 31, 1978, £181,620 (£173,091). pre-tax profit £205,972 (£201,082). Dividend 5p (4.5p) net.

FRANCIS SUMNER ENGINEERING—For 1977 turnover £2.03m (£2.07m), pre-tax profit £79,838 (£102,172). Tax £30,519 (£52,274). Earnings per share 7.05p (£8.3p). Dividend takes £14,900 (£41,292). The company is a subsidiary of Francis Sumner (Holdings).

INTL. FINANCIAL AND COMPANY NEWS

AMERICAN NEWS

Beatrice sees peak quarter

DALLAS, June 7.

SALES, NET earnings and earnings per share for the first quarter ended May 31 reached records Mr. Wallace N. Rasmussen, chairman and chief executive of Beatrice Foods, the world's largest food company, said in remarks prepared for the annual meeting.

Earnings for the quarter would rise by about 8 per cent to 10 per cent over the $55.7m or 61 cents a share of the previous first quarter on a sales gain of about 10 per cent to 12 per cent from last year's $1.5bn. These projections are on a restated basis, to include companies acquired in poolings-of-interest transactions up to May 31 and do not include the acquisition of Culligan International acquired on June 2, he said.

Mr. Rasmussen expects another record year in fiscal 1979 and believes sales will exceed $7bn.

In fiscal 1978, Beatrice reported net earnings of $222m or $2.41 a share on sales of $5.3bn.

The company's growth will continue as it has over the past five years and it expects to double sales and net earnings by fiscal 1983.

Higher loss at Penn-Dixie

NEW YORK, June 7.

FURTHER SHARP losses are reported by Penn-Dixie Industries, the steel and cement group, the figure for the first quarter of 1978 amounting to $4.82m on sales and revenue of $51.28m. In the same period last year, there was a net loss of $3.4m, after a tax credit of $2.4m on sales and revenue of $53.19m.

For the whole of 1977, the net operating loss amounted to $15.18m, against $4.47m, the 1977 figure providing for tax credits of $8.83m. Sales and revenue in 1977 totalled $281.51m, against $281.64m in 1976.

AP-DJ

Bankamerica sees tax gain

ATLANTA, June 7.

THE PASSAGE of Proposition 13 in California could add about 7 cents a share to annual earnings of Bankamerica, Mr. Leland S. Prussia, vice-chairman and treasurer, said to-day.

The effect of the proposed property tax rollback move on Bankamerica would be about $13m in property taxes and linked to it about $6m in the equivalent of State income tax.

This assumes, he said, that there would not be some kind of new offset tax imposed by the State, which the bank holding company considers a possibility.

He also explained that the 7 cents estimate is based on last year's net before securities transactions of $395m or $2.71 a share. The final net was $396m or $2.72 a share.

AP-DJ

Partial verdict returned in SCM-Xerox case

BY DAVID LASCELLES

NEW YORK, June 7.

THE JURY in the long-running office copier anti-trust case between SCM and Xerox gave a partial verdict today which appeared to reject part of SCM's damages claims against Xerox, but still held open the possibility of a wrongful conduct finding against Xerox.

In a suit originally filed in 1973, SCM, which manufactures office equipment, is claiming damages of $1.47m for loss of profits resulting from Xerox's refusal in the early 1960s to grant it a licence to make dry copiers.

Much of the case revolves around the question whether there was a "relevant market" for plain and coated paper copiers in the U.S. in the 1960s, and if so, whether Xerox was unfairly keeping it to itself.

Today, the jury determined that such a market did not exist in January 1964, but that it did exist in January 1969. This seems to rule out any basis for SCM's allegations that Xerox maintained an unlawful monopoly between those years.

However the jury only answered four of the 76 questions which had been put to it by the Federal judge. And it is still far from clear whether Xerox has been cleared for its conduct in those five years, or whether it must still answer allegations covering the period after 1969.

Even if the case does go against Xerox, the jury will then have to consider the whole question of damages due to SCM, plus costs which have already run into the tens of millions of dollars.

Brazil court backs Formica

BY DIANA SMITH

RIO DE JANEIRO, June 7.

BRAZIL'S Federal Appeals Court has upheld a District Court ruling, barring a Brazilian laminates company from using the word "Formica" in description of its products.

This is the final outcome of a case brought earlier this year by the Formica Corporation of the U.S. and Cyanamid Quimica do Brasil, against the Companhia Quimica Nacional de Laminados (the National Chemical Laminates Company) which, when registering its product with the National Industrial Property Department used the term "known as Formica laminates."

Formica Corporation and Cyanamid of Brazil went to court, asking for the registration to be annulled that the Companhia Quimica used phenol, melamine and polyester resins not formol in its laminates.

Therefore, they argued, the laminates could not be accurately described as "Formic" or "Formica" and the Companhia Quimica's use ofthis descriptive phrase was a "malicious attempt to cut into their market."

The American plaintiffs suggested that the company could use another phrase like "know as plastic laminates" for publicity and other purposes.

The Federal Appeals Court determined that all the evidence presented left no room for doubt that the words "Formica laminates" were a neologism, derived from the Formica trademark, property of the Formica Corporation. Thus, the court ruled, the term could not be permitted general usage, and should be protected against "vulgarisation" which could lead to its use by numerous manufacturers.

While the Appeals Court ordered that the registration of the "known as Formica laminates" be cancelled, it refused Formica and Cyanamid's request for damages from the Companhia Quimica, stating that it did not feel these enterprises had been damaged by the registration.

Under current Brazilian law, brand names can be registered locally if they consist of "names or words without antecedence or conflict with other trade marks already registered, or those that are not banned by law."

IC Inds prepares bid for Pet

CHICAGO, June 7.

IC INDUSTRIES, the railroad holding company, through its subsidiary Iconic Inc., is to make a cash tender offer as soon as practicable for all outstanding shares of Pet, the food company at $54 a share.

IC Industries says the proposed offer would not be conditional upon the tender of any minimum number of shares. However it will be conditional upon the previously announced proposed merger of Pet and Hardee's Food Systems not being approved by the shareholders of either Pet or Hardee's.

This follows the filing yesterday by Pet and Hardee's of the preliminary proxy materials relating to their merger, with the Securities and Exchange Commission.

IC Industries said that if it acquired shares of Pet under the offer it intends to vote them against approval of the merger of Pet and Hardee's. IC Industries currently owns 315,000 shares of Pet common stock.

In connection with the proposed tender offer, loan commitments have been received totalling $390m, IC Industries said. A group of domestic banks has committed to make loans of $200m and a group of foreign banks will provide the rest. A definitive loan agreement has already been executed with the foreign banks.

IC Industries said the required filings, including a proposed form of offer to purchase, was made today with the SEC.

Agencies

Wisconsin blocks bid for Pabst

By John Wyles

NEW YORK, June 7.

APL CORPORATION'S proposed takeover of the Pabst Brewing Company has been blocked by Wisconsin's Commissioner of Securities on the grounds that APL would be "greatly over-extended" by the $114.8m purchase.

The decision was welcomed by Pabst, which was fighting APL's attempt to buy 52 per cent of its stock through an exchange of $26 debentures plus $2 cash for each of 4.1m shares.

Commissioner Joseph E. Bartell refused to register the takeover offer because, he said, APL's earnings would not support the additional debt created by issuing the debentures.

He added that the proposed transaction would be "unfair and inequitable" to Pabst stockholders.

In a decision which extended to 32 pages of print, Mr. Bartell argued that APL, a New York paper manufacturer, would be burdened with an inordinately heavy debt structure and would be forced to borrow more funds and to divert Pabst earnings and assets to service its debt.

Ashland looks into sell-offs

NEW YORK, June 7.

ASHLAND OIL does not expect to recover the profit shortfall of the first half of the current year and may sell some operations to improve profitability, Mr. Orin E. Atkins, the company chairman, told investors.

Mr. Atkins said the company is examining its domestic, Canadian, and foreign exploration and production activities, its Ashland-Warren construction division, and several divisions of its Ashland Chemical concern.

He said the company is analysing its investment alternatives and the legal, tax, and accounting considerations of continuing to operate or to divest some lines of business.

He said directors hope to make changes that will result in Ashland's stock price more fully reflecting the underlying value of its assets. Reuter

Overhaul proposed for communications laws

By Our Own Correspondent

WASHINGTON, June 7.

MEMBERS of the House Communications Subcommittee have unveiled a proposed overhaul of Federal Communications laws which could have a profound impact on American Telephone and Telegraph and on other common carriers.

The legislation would bar telephone companies from the manufacture of telephone equipment. Such a prohibition would force AT and T to get rid of its Western Electric manufacturing arm and similarly force General Telephone and Electronics Corporation to shed either its telephone or equipment operations, subcommittee staff members explained.

The proposals further would create a new Communications Regulatory Commission as a greatly streamlined replacement for the present Federal Communications Commission.

Under legislation that would create a new Communications Regulatory Commission, the new commission, among other things, would be directed to decide the extent to which one telephone service should subsidise another.

Such cross-subsidy decisions, which determine the rates of different telephone services have mostly been left to negotiations between AT and T's Bell system and State Utilities Commissioners, the subcommittee said.

On the other hand, the proposal representing the first attempt by Congress to rewrite the Communications Act of 1934 would offer AT and T and other carriers opportunities to compete in markets now closed to them.

By sweeping aside existing Government and court restrictions, for example, the Bill would enable phone companies to offer their customers computer services.

Overall the proposed Bill seeks the freer play of market forces and a smaller role for Federal regulators. It would abandon most of the regulations adopted by the FCC, for instance.

EUROBONDS

ASICS $15m convertible

BY FRANCIS GHILES

A $15m convertible dollar denominated bond for a Japanese borrower, ASICS Corporation, is to be floated through a group of banks led by Yamaichi, with Credit Suisse White Weld as co-lead manager. The indicated coupon for these bonds, which carry a 15 year maturity, is 6¼ per cent with an expected conversion premium of approximately 10 per cent.

This is the first Japanese dollar in the Eurobond sector convertible since the $50m convertible for Toshiba last November and comes out at a time when the Yen and the Tokyo bond market are both putting in strong performances.

Another dollar convertible was also announced yesterday: $30m for 15 years with an indicated coupon of 5¾ per cent for Baker International Corporation. Joint lead managers are Blyth Eastmann Dillon, Goldman Sachs and SG Warburg. The bonds will be convertible into shares of Baker International Corporation on or after January 15, 1979 at a conversion premium expected to be 12-15 per cent above the closing market price of the shares on June 19, on which date the final terms will be set.

This corporation, which serves the oil and mining industries, generated 38 per cent. of its revenues last year ($709m) abroad. Its senior debt is rated single A by the two leading US agencies.

The private placement of bonds for Algeria being arranged by Credit Lyonnais amounts to $112m, with $28m consisting of non-interest bearing bonds which will be taken by the Italian state oil company ENI. All the bonds carry a Banque Algerienne de Development guarantee.

The secondary market was firm yesterday with prices up by about one quarter of a point, mainly in professional dealing.

Cannon Inc will float a SwFr 100m five year convertible through a group of banks led by Swiss Bank Corporation. Indicated coupon is 3¾ per cent.

A new European Unit of Account denominated bond has been announced: UA22m for Sociétés de Development Regional (guaranteed by France).

The Yen denominated bond for Mexico which was due to be announced has been postponed due to disagreement between Nomura and the borrower. Nomura argues that the coupon should be higher than 6.4 per cent. The reason for this insistence is that the underwriters in Japan would like to ensure a greater differential in terms according to the quality of borrower, particularly before the World Bank arranges a Yen denominated bond next month.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Hoffmann-La Roche sales stunted by currency flows

BY JOHN WICKS

ZURICH, June 7.

TURNOVER GROWTH of Hoffmann-La Roche was stunted last year by foreign exchange fluctuations. Combined sales of the affiliated corporate groups headed by the Basle parent company F. Hoffmann-La Roche and its Canadian-based overseas holding subsidiary, Sapac Corporation, rose in 1977 by 7.3 per cent to SwFr 5.48bn ($2.87bn). According to Dr. Adolf Jann, the outgoing chairman of the Swiss pharmaceuticals and chemical undertaking, the increase would have exceeded 20 per cent had currencies remained stable.

The drop in parent-company income by almost SwFr 5m to SwFr 67.02m, which had been previously announced, followed a fall in the net income of the two groups from SwFr 475.1m in 1976 to SwFr 335.9m last year. This decline was due largely to foreign-exchange losses which rose from SwFr 61m to SwFr 205m over the year.

The improvement of total sales over 1976 figures was achieved primarily in the first half of 1977, with demand "generally static" in the second half. Dr. Jann told a Press conference in Basle that the decelerated business of the latter part of last year had continued into this year. While turnover in terms of local currencies had developed quite well in the first four months of 1978, the Swiss franc value had dropped by some 10 per cent when compared with an admittedly strong period in January-April, 1977.

Unless there is an alteration in the exchange-rate situation, this year's results will "not be particularly gratifying," Dr. Jann commented.

Capital expenditure of the Roche and Sapac companies rose by SwFr 49.4m to SwFr 606.1m last year, this includeing the cost of the Basle parent's takeover of the Belgian citric acid producer Citrique Belge at a price Dr. Jann put atSwFr 100m. Investments would be at about the same level in 1978, with the concern continuing its policy of self-financing.

One U.S. investment project in which Roche would have been involved has now been postponed. This is a plant it planned to build in Illinois together with a Finnish sugar company for the production of 10,000 annual tons of the sugar substitute xylitol from a corncob feedstock. This $70-80m plant, which would have had the American chewing gum industry as a major customer, has been held up in connection with increased incidence of side effects in high-dose animal tests.

Hoffmann-La Roche faces damages of up to $50m for the contamination of the Italian town of Seveso three years ago. Chairman Adolf Jann told the press conference that the company's liabilities had yet to be settled but a final decision was expected "in the foreseeable future." Total damages would then be known but the figure would not exceed SwFr 100m ($50m). Roche was not prepared to meet exaggerated demands by the Italian authorities. "We should find it rather excessive, if we were to put the whole of northern Italy on its feet because of Seveso."

Sharp rise in dividend at Phillipp Holzmann

By Guy Hawtin

FRANKFURT, June 7.

A SHARPLY increased dividend for 1977 is announced by Phillipp Holzmann, one of the leading construction companies in West Germany. Overseas activity remains buoyant and profits overall this year should be satisfactory.

The company is paying a dividend of DM7 per share for 1977, the same as in 1976, but in the hands of domestic shareholders this amounts to an effective DM10.94 per share. Actual profit figures for 1977 will probably be unveiled later this month. Meanwhile, Holzmann is happy to confirm that its earnings for 1977 have increased.

The company is still facing a lean time at home but activity overseas continues to expand impressively. For the first five months of 1978 building output is a fifth higher with the domestic operations running marginally below their 1977 level.

Holzmann's total overseas orders have now grown to DM5.6bn ($2.67bn) with DM2.3bn arising from a Saudi Arabian defence and aviation ministry housing contract. This involves the company in the construction of 2,000 houses together with necessary infrastructure. Domestic bookings during the first five months of this year have improved by 6 per cent to DM1.3bn.

Despite changing currency relationships, the development of the overseas construction business is positive. This, together with the small increase in domestic prices, means that current forecasts for 1978 indicated that shareholders could expect "satisfactory overall profits."

LDC debt in the private sector

BY MARY CAMPBELL, EUROMARKETS EDITOR

ABOUT A quarter of the medium-term debt of less developed countries (LDCs) is owed by private sector institutions. According to new data released by the World Bank, a likely figure for medium-term debt contracted by the private sector institutions in these countries by the end of 1976 was $45.5bn. compared with $157bn-worth of debt contracted by public sector entities, or under public sector guarantee.

The new World Bank figures are published in a long article in the latest issue of the International Monetary Fund's fortnightly journal Survey. They are no more than preliminary estimates. However, they improve one's capacity to evaluate the future debt servicing problems of LDCs, by giving some order of magnitude figures on an area where even these have hitherto been absent, since data tended to cover public sector debt only.

It is indicative of the uncertainty of its estimates that although $45.5bn is given as a "likely figure" for the size of the private sector foreign currency denominated debt of 85 developing countries, the World Bank in fact gives a range of between $39.9bn and $57.6bn for the total. The article does not list individual countries, but does break down figures for different types of LDC.

Thus, for the high income and upper middle income countries (those with per capita incomes of $1,136 or more), private sector debt (excluding debt which is guaranteed by public sector entities) "seems to be" between two-thirds and three-quarters the size of the public sector debt.

Among the major contributors to the figures on $12bn worth of private sector debt estimated to be owed by high income countries are Gabon, Greece, Israel, Singapore, Spain and Venezuela. The upper middle income group (owing $19m) includes Argentina, Brazil, Iran, Portugal, Uruguay and Yugoslavia. In the intermediate to middle income group, owing $8.9bn, the main countries are Mexico, Ivory Coast, Taiwan, Malaysia, Peru and Turkey, while the most significant countries in the lower middle income are the Philippines and Thailand. In the low income group the biggest country concerned is Indonesia.

The World Bank is intending to publish data on the private sector debt of individual countries where such data is available in the countries concerned. The main countries where publication will not be possible are Mexico, Iran and Indonesia.

In contrast the private sector debt of low-income countries is estimated at around one-twentieth of the public and public sector guaranteed debt.

The World Bank is concentrating its efforts to gather information on private sector debt on 40 countries—until now it attempted to gather information only on 16. A new questionnaire has been developed and is being circulated to these countries, following discussions at the IMF and World Bank annual meeting last September.

The response is expected to vary greatly from country to country. Some countries—where private sector companies have to receive prior permission for or register foreign currency borrowings—will be in a much better position to supply the data than others where such requirements do not exist.

Rosenthal sees successful year

BY ADRIAN DICKS

BONN, June 7.

ROSENTHAL, the West German porcelain, industrial ceramics and glass manufacturer, is looking forward to a successful year in 1978 on the basis of the first three months, following what the Board describes as the best results during 1977 of any year since 1945.

World turnover of the Rosenthal group rose 9.5 per cent to DM 431m, with profits after tax up 12.5 per cent to DM 5.4m ($2.8m). An unchanged dividend of DM 8 per share is being proposed by the Board, with shareholders resident in West Germany to receive a further DM 4.50 tax credit. Distributed profit on this basis would be DM 3.28m.

In 1977, Rosenthal reports that its exports of fine ceramics stood up well to the strains of a dearer Deutsche-Mark, although markets for technical and industrial ceramic products became more difficult and less profitable. However, the company acknowledges that the appreciation of the currency also helped it to enlarge its presence on important foreign markets.

Last year, the company acquired a new technical ceramics operation in the U.S., Rosenthal Metceram, which accounted for the 9.6 per cent increase in sales in this area—more than offsetting the stagnant trend of the home market. Rosenthal says it intends to carry out further expansion in the U.S. and in other overseas markets, and hopes that this will compensate for the continuing appreciation of the German currency. Exports and overseas production accounted for nearly 40 per cent of last year's turnover.

Meanwhile, the Board states plainly that despite high rates of capacity use and long waiting times for delivery in its household ceramics divisions, it sees "no occasion for investing in expansion" in Germany. Instead, it has been sub-contracting production of Rosenthal wares to other manufacturers, subject to tight quality control.

Growth at Swiss travel agency

BY OUR OWN CORRESPONDENT

ZURICH, May 25.

TRAVEL-AGENCY Reisebuero Kuoni, of Zurich, reports a generally satisfactory year. World turnover rose by 15 per cent. to SwFr 701m in 1977 from SwFr 611m, while parent-company net profits were SwFr 3.12m, compared to SwFr 2.44m. The Board recommends an increase in dividend from 10 to 12 per cent. so that bearer shareholders will receive SwFr 120 per share, against SwFr 100 in 1976.

Union Reinsurance recommends an unchanged dividend of SwFr 120 per share for 1977. Gross premiums rose to SwFr 356m from SwFr 342m while net profit increased from SwFr 2.5m to SwFr 2.8m.

Bundesbahn to set loan terms

By Our Financial Staff

A NEW issue on the domestic bond market in West Germany — the first since early April — could shortly emerge following a meeting of the Federal Loan Consortium tomorrow afternoon. The meeting is expected to discuss the terms of an issue by the Federal Railways (Bundesbahn).

First mooted some seven weeks ago but held in abeyance until market conditions were less strained by foreign exchange upheavals, the Bundesbahn bond is expected to raise DM 700m and mark a return to coupons of 6 per cent. Dealers were less confident of forecasting maturity and price, but the loan could range from between eight and ten years. The most recent state-backed bond took coupons down to 5½ per cent for long-term money.

Last week's issue in Kassenobligationen pulled in DM 2.7bn spread fairly evenly between the three- and four-year tranches. Prices were 99.9 in both cases.

MAN increases capital outlay

NUREMBERG, June 7.

WEST GERMAN engineer MAN will step up its capital spending by around a third next year to DM 205m. New investment in the mechanical engineering and steel construction division will rise from the DM 65m of 1977-1978 to DM 80m.

MAN's commercial vehicle and mechanical engineering divisions and rolling mills have full order books, but in the steel construction sector short-time working cannot be ruled out. Large overseas orders are guaranteeing a high level of production in the pumps sector. The engine division in Nuremberg is working at full capacity.

Reuter

Orders upsurge at Lurgi

BY OUR OWN CORRESPONDENT

FRANKFURT, June 7.

ORDERS of the Lurgi Group, the West German heavy engineering concern, which were heavily depressed at the end of 1976-77 received a considerable shot in the arm at the beginning of the current year following the placing of two huge orders, one from the Soviet Union and the other from Nigeria.

The Nigerian orders covers participation in a consortium which will build a direct reduction steel plant together with an iron ore pelletisation plant. The more important order, however, is for the Soviet Union's Kursk steel complex, where Lurgi will supply an iron ore pelletisation plant and, in partnership with Korf-Stahl, a direct reduction plant.

Thus during the first seven months of 1977-78, which started on October 1, the inflow of orders totalled DM 1.3bn, and already equals figure for last year as a whole. The group expects the current year's order inflow to total about DM 1.5bn, of which 85 per cent will be generated abroad.

Orders will also continue to reflect the stagnation of capital investment in the western industrialised world. About 65 per cent of bookings will come from OPEC and Comecon countries.

Dr. Natus said that Lurgi was able to conclude virtually all of its contracts on a Deutsche Mark basis. However, the group welcomed the recent strengthening of the dollar in that it made Lurgi's quotes even more competitive or allowed to slightly improve its margins.

Lurgi sees a future for itself in assisting the industrialisation in the People's Republic of China. The petro-chemicals sector was expected to be particularly promising as Lurgi was in a good position to help in the processing of the "particularly difficult Chinese crude oil."

Dr. Natus said that he believed that China was on the way to giving up its traditional policy of paying cash for its exports. It was gradually coming round to the view that foreign help, in the form of deferred payments, partnership in projects and, eventually compensation trade, would be necessary if it was to industrialise as fast as planned.

PAN-HOLDING S.A. LUXEMBOURG

The Annual General Meeting of Shareholders took place on May 30, 1978.

The accounts for the year 1977 were approved. The unconsolidated accounts show a net profit of US$ 4,135,893.05. After the transfer of the realised net portfolio gains, i.e. US$ 3,014,615.98, increased by the net gain realised on foreign exchange transactions, i.e. US$ 15,510.33, to the Provision for Contingencies, there remains a net income of US$ 1,105,766.74, which, after appropriating the needed amount out of the Dividend Equalisation Reserve, allows a distribution of US$ 2.35 per US$ 10 share outstanding on June 30, 1978. This dividend, free of withholding tax in Luxembourg, will be paid as of July 3, 1978.

It will be recalled that the dividend paid for the fiscal year 1976 amounted to US$ 2.25 against US$ 2.15 for the fiscal year 1975.

In his address, the Chairman recalled that the unconsolidated net asset value per share as of December 31, 1977 was US$ 110.68, showing an increase of 2.99% from the previous year, in spite of the usually poor showing of the stock markets during 1977. When the dividend paid during the year is taken into account, the increase is 5.08%. Over a two-year period, the increase is 16.67% without the dividends, or 21.32% with dividends.

The results achieved prove that an active and effective management of funds can not only preserve, but also increase Shareholders' funds, and this in spite of a difficult economic, political and monetary environment.

In 1977, the emphasis was maintained on the investments in the United States—a country which keeps a leading role in the world—with almost 50% of the portfolio invested in that country. On the other hand, international diversification allowed a certain monetary hedging in that period of weakness for the dollar.

During the first months of 1978, the recovery of stock markets, especially in the United States and in France, enabled the net asset value to be substantially higher: as of May 15, 1978 the consolidated net asset value was US$ 133.03 versus US$ 120.09 as of December 31, 1977. At the same date, the unconsolidated net asset value was US$ 120.78 per share, showing an increase of 9.1% over December 31, 1977, while during the same period the Dow Jones Industrial index was up only 1.9%.

However, over the past few years, stock markets have been suffering from the lack of interest of investors, a phenomenon which has not spared the closed-end investment trusts. Pan-Holding has also been affected as its shares are now traded at a substantial discount.

Bank to double capital

BY MICHAEL BLANDEN

INTERNATIONAL Resources and Finance Bank, set up in Luxembourg last year with its main branch office in London, is doubling its paid-up share capital to $20m.

The bank, which was established in May last year, announced yesterday that by this April its total assets already exceeded $86m. Borrowing facilities, including stand-by lines from the shareholders, amounted to $65m.

The bank is a wholly-owned subsidiary of Arab International Trust, incorporated in Luxembourg. The largest shareholder is the Bank of Montreal, which has 30 per cent of the equity. The other shares are held by leading groups in the Middle East and North America.

In the first annual report for the period to the end of 1977, the directors say that the group's objective is to assist in the development of the Middle East and Africa through viable projects which will contribute to the economic and social well-being of the areas.

The bank, they report, has already extended medium term credit to borrowers in a number of countries in the Middle East and Africa, and to borrowers in some European and South American countries. The bank handles trade related financing and is involved in project appraisal. It plans during the current year to establish "an effective representation in the Middle East."

Hermes Precisa upturn

BY OUR OWN CORRESPONDENT

ZURICH, June 7

SWISS office equipment manufacturer Hermes Precisa International, of Yverdon, returned to profit last year. With group sales of SwFr 240m ($125m), little changed from 1976, group cash-flow reached SwFr 10m and that of the parent undertaking rose from SwFr 4.5m to SwFr 8.5m, resulting in a net profit of SwFr 2.4m ($1.3m) as compared with a loss of SwFr 0.7m.

Dividend payment is again to be omitted this year. However, turnover improved by as much as 30 per cent in the first four months of 1978 and a resumption of dividend distribution is expected in 1979. With a substantial increase in sales foreseen for the year as a whole, Hermes Precisa considers a doubling of group cash-flow to SwFr 20m "quite possible."

The Swiss company is to investigate the possibility of setting up production capacity in Singapore and has already decided on new investments in Brazil.

TOTAL OIL MARINE LIMITED

A British Company incorporated as a Limited Company on July 8, 1964 and registered under the No 811900 on the British Registrar of Companies

Head Office: Berkeley Square House Berkeley Square—London W1X 6LT—United Kingdom

Pounds sterling 25,000,000 9½% Sterling Foreign Currency Notes due December 1, 1984 guaranteed by Compagnie Française des Pétroles

General Meeting of Noteholders

Second Notice of Meeting

The General Meeting of holders of 9½% 1977-1984 £1.000 TOTAL OIL MARINE LIMITED sterling foreign currency notes, issued in December 1977, which had been convened on Thursday May 25, 1978 by the company, had been dissolved in default of quorum; in consequence a second General Meeting shall be held on Friday, June 30, 1978 at 11 a.m. in the offices of BANQUE DE PARIS & DES PAYS-BAS—33 Throgmorton Street, London EC2N 2BAtodiscuss and approve the subjects of the same agenda.

Agenda

—Appointment of noteholders' representatives:

—Determination of their powers and their remuneration.

All holders of 9½% 1977-1984 notes may attend or be represented by an alternate of their choice at this Meeting; nevertheless to exercise their rights, they are required to deposit their securities five days prior to the scheduled date of the Meeting with the Banks and the Financial Institutions having participated in the issue of these notes.

Invitation cards for admission to the Meeting as well as proxies for noteholders to be represented by an alternate will be issued by these Banks and the Financial Institutions to such noteholders as shall request them.

THE BOARD OF DIRECTORS

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Stanbic returns to earnings growth

BY RICHARD ROLFE

JOHANNESBURG, June 7.

STANDARD BANK Investment Corporation (Stanbic), in which Standard and Chartered at present holds a stake of 67.4 per cent, has resumed its growth in operating profits, trimmed last year by the need for abnormal provisions against property commitments, and has marked the occasion by an increase in the dividend from 22.5 cents to 28 cents. But the Board warns that "although fresh specific provisions against losses, in aggregate, were lower in 1978 and in 1977, the charge against profits is still unacceptably high."

For the year to March 31, Stanbic raised operating profit from R38.4m to R54.5m ($62.9m), but the figure for a year ago was struck after providing R12m against the bank's entire exposure to Glen Anil, the failed township property developer. This time, the comparable figure has not been revealed (with South African banks not yet on a full disclosure basis) and so the precise extent of Stanbic's recovery is unclear. But earnings per share are up from 41 cents the year before (based on a weighted average figure) to 59 cents on this year's unchanged issued ordinary share capital of R52.8m and on the higher dividend, the shares, at 340 cents, yield 8 per cent.

A year ago, Stanbic set itself a target return on shareholders' funds of 16 per cent, and achieved 15.7 per cent, a sharp improvement over 11.6 per cent in the previous year. But the scope for further progress remains to be seen. The Board refers to "the inherent risk" of lending in the current economic climate, although the bank is officially expecting an improvement in the economy this year. Against this, interest rates are falling, suggesting that the current level of overdraft rates will come under pressure.

Stanbic is completing the acquisition of UDC Bank, the most flourishing part of the old UDT Group in South Africa, and some benefits should accrue in the current year. Of the 3.5m Stanbic shares to be issued in consideration, about 2.9m are now in the process of being placed with local institutions. These transactions will reduce Standard and Chartered's stake to about 63 per cent, making further progress to the 50 per cent limit set for the overseas group's control by 1986.

Increase at Herald and Weekly Times

By Our Own Correspondent

SYDNEY, June 7.

THE Herald and Weekly Times, major newspaper, radio and television group, raised its profit almost 19 per cent. from A$6.0m to A$7.4m (U.S.$8.4m) in the March half-year. It achieved this on a 15.5 per cent increase in group sales, from A$82.9m to A$95.8m (U.S.$109m).

The interim dividend is held at 5 cents a share. Last year directors declared a final of 10 cents, to make a payment of 15 cents for the year.

The directors made no comment on operations for the period. They pointed out, however, that no account was taken of the tax deduction available for trading stock adjustment when arriving at the half-year results. The matter will be considered when the annual accounts are finalised.

Myer plans to raise U.S.$28m

By Our Own Correspondent

SYDNEY, June 7.

MYER EMPORIUM, Australia's largest department store retailer, will raise A$25m (U.S.$28m) through a debenture issue to existing shareholders and debenture holders.

It is the first debenture raising since late 1970 and only the fourth in the group's 53-year history.

Directors said that the funds raised by the issue would be used to assist in the general expansion of the group and to increase working capital.

Myer last year started a five-year A$250m expansion programme, designed to double sales and profit within that period.

However, in April the Board reported a 23 per cent reverse in earnings for the first half of the current year and indicated that results for the full year were likely to be lower than in 1976-77.

Farmers' tactics vindicated

BY JAMES FORTH

SYDNEY, June 7.

THE VICTORIAN supreme court today ruled that Westralian Farmers Co-operative (Wesfarmers) had acted entirely within the law in a market operation late last year in which it obtained just over 50 per cent of Cuming Smith. The directors of Cuming Smith initiated the court action, claiming that Wesfarmers had breached the Companies Act in the buying operation and seeking to have the purchases declared void.

Mr. Justice Kaye said that Wesfarmers acted within the law. But he was critical of the Takeover Code in the Companies Act and said it was inconsistent, easily capable of circumvention.

Wesfarmers last year made a takeover offer for Cuming Smith which was designed to gain control of Western Australia's only fertiliser manufacturer, CSBP and Farmers.

Cuming Smith owns one-third of CSBP, with British Petroleum of Australia and Westralian Farmers Superphosphate (WFS) each holding one-third.

Wesfarmers originally offered A$60m for CSBP. WFS, which has close links with Wesfarmers, was prepared to accept on condition that Wesfarmers gained control of CSBP, but Cuming Smith and BP both turned it down.

Another company, Howard Smith, then topped Wesfarmers' bid for Cuming Smith which prompted Wesfarmers to step into the market.

Now that the court has ruled in favour of Wesfarmers, it remains to be seen whether the co-operative will extend an offer to remaining shareholders of Cuming Smith. Wesfarmers had been prepared to make an offer until Cuming Smith took legal action.

Wesfarmers still wants control of CSBP and could achieve this if WFS was prepared to sell its stake. There have been questions raised as to whether Wesfarmers would control and or dominate the fertiliser market if it controlled CSBP.

The farmers union of Western Australia claims this would be the case, and has started a legal action against Wesfarmers under the Trade Practices Act. To decide the matter, Wesfarmers has now applied to the Trade Practices Commission for an authorisation to allow it to purchase control of CSBP. The TPC can take up to four months to decide, and it is unlikely that Wesfarmers will make any bid for additional Cuming Smith shares until the commission has given its ruling.

Expansion for Hassneh

BY L. DANIEL

TEL AVIV, June 7.

HASSNEH INSURANCE, which accounts for 24 per cent of total insurance business in Israel, report that its life-insurance portfolio increased last year by 57 per cent to I£20bn (U.S.$1.1bn), as compared with an average growth of 46 per cent reported by the other insurance companies. As a result, the company's share in total life insurance business in Israel rose from 18 to 20 per cent.

Its overall premium income grew by 50 per cent to I£1.2bn. Of this, I£980m represented premiums in respect of general insurance and I£220m life-insurance premiums.

While Hassneh comes second in the life-insurance field after the Migdal-Binyan Insurance Company, its total business is larger. Hassneh belongs to the dozens of companies owned or controlled by the Israel Labour Federation.

Bank Leumi offer oversubscribed

BY OUR OWN CORRESPONDENT

TEL AVIV, June 7.

BANK LEUMI's offer to the public of about I£200m ($11.5m) of shares was subscribed more than tenfold, with applications received for I£2.12bn. The bank will allocate to the public 12.5 per cent of the shares applied for, while institutional investors will receive 50 per cent.

The issue is the first stage of Bank Leumi's latest capital expansion, which also includes a rights issue expected to raise I£500m, while a further I£50m issue is being made to the bank's employees and pensioners. When all three stages have been completed, the bank's capital position will stand at about I£7bn.

As usual, institutional investors were prominent among the applicants for the 400,000 units offered in the first stage.

The Bank Leumi issue is the largest ever on the Tel Aviv Stock Exchange.

Sharp rise in Tadiran profit

By Our Own Correspondent

TEL AVIV, June 7.

TADIRAN, Israel's largest electronics company, raised its net profit in 1977 by 61.4 per cent to I£127.7m ($7.3m), from I£79.1m in 1976.

The company, which is owned by General Telephone and Electronics Corporation, of the U.S., and Koor, the industrial holding company of the Israel Labour Federation, expects sales for the current year to rise 65 per cent to I£3.3bn, as a result, from I£2bn (U.S.$114m) in 1977, among other things, of the development of its GTE-60 electronic exchange, solar air-conditioning systems for industrial buildings, hospitals and hotels, and its entry into the fields of electronic surveillance measures, avionics and electro-optics.

Exports in 1977 accounted for some 50 per cent of sales, and are expected to rise by some $100m (some I£1.75bn) this year.

Half-year profit recovery in Japan

By Douglas Ramsey

TOKYO, June 7.

JAPANESE COMPANIES did better in the half-year to March than in the previous six-month period, to September, according to a survey of results at 500 companies compiled by Nihon Keizai, the business daily. Another finding of the survey is that the relatively smaller companies listed on the second section of the Tokyo Stock Exchange (TSE) did better at boosting sales and profits than those listed on the TSE first section.

According to Nihon Keizai, the 126 second section companies showed an average increase in pre-tax profits of 8 per cent for the March half-year (after a 13.9 per cent fall in the previous term). By contrast, the 374 first-section stocks showed an average rise of only 2.3 per cent pre-tax (against a 13 per cent decline in the September term). The pattern was similar on profits after tax where the smaller companies posted an 8.6 per cent increase (compared with a 16.3 per cent drop the previous term) and the better-known companies on the TSE saw their profits switch from a decline of 5.3 per cent in the September period to a rise of 1.6 per cent, in the March term.

Taken together, the 500 companies surveyed by Nihon Keizai posted average advances on three counts on which there were falls in the previous term. Sales of the 500 declined 1.8 per cent. in the six months to September but picked up slightly in the half-year to March (up 0.6 per cent.). Pre-tax profits showed an average decline of 13 per cent. in the earlier period, but rose 2.5 per cent in the half year to March. Net income, which fell by 5.6 per cent in the September term, swung back in the most recent period, to show a rise of 1.8 per cent.

As a result, the profit-to-sales ratio for the 500 companies averaged 1 per cent in the March term, compared with the previous 0.9 per cent.

Cement makers gain

ONODA CEMENT COMPANY, a major cement maker in Japan, raised its net profit for the year to March 31 by 162 per cent to Y2bn ($9m) from Y763m the previous year, helped by brisk orders from Government agencies related with public work programmes, AP-DJ reports from Tokyo.

Sales rose to Y171.5bn ($776m) from Y148.0bn.

The cement maker forecast that its net profit for the current fiscal year would rise a further 85 per cent to Y3.7bn on sales up 10 per cent to Y189bn.

Another major cement maker, Sumitomo Cement Company, announced that its net profit for the year to March rose to Y1.2bn ($5.4m) from Y150m a year earlier.

Its sales increased to Y102.7bn from Y89.1bn.

Sumitomo forecast that its net profit for the current year would more than double, to Y2.6bn, on sales of £118.8bn.

JAPANESE OIL REFINERS

Down despite forex gains

BY YOKO SHIBATA

TOKYO, June 7.

EXCHANGE RATE benefits to nine major Japanese oil refiners, including Nippon, Maruzen, Mitsubishi, Koa, Toa, FujiKosan and General, and two non-listed giants, Idemitsu and Kyodo totalled Y556bn ($2.5bn) in the year to end-March. Of the total exchange gains, Y164.7bn were stemmed from deferred payment for crude oil imports.

However, the exchange gains were more or less cancelled out by the sharp reduction in market prices of oil products (down by an average Y1,500 per kilogram) and increasing cost burdens such as rises in crude oil prices and tanker freight rates.

As a result, combined current profit at the nine refiners declined by 4 per cent over the previous fiscal year. Current profits of each refiner were fully accounted for by exchange gains, which came to 159 per cent of current profits of the nine in aggregate.

Profit performances widened between refiners financed by foreign capital and domestic capital. Those affiliated with foreign capital as Nippon Oil, Mitsubishi and Koa showed record profits and restored dividends, while domestic refiners such as Toa, FujiKosan, Idemitsu and Kyowa performed poorly despite their exchange gains.

For the current fiscal year ending March 1979, all of the refiners expect a sizeable dip in exchange gains and a further deterioration in market prices of oil products (down by an average of Y1,400). The new oil tax effective from June 1, will be another negative influence on earnings. The nine have agreed to incorporate the new oil tax into prices of oil products shortly.

Even with a successful shift of the oil tax on to the consumer, the refiners expect a steep fall in profits for the current fiscal year. Nippon Oil, Mitsubishi and General Oil expect their current profits to be slashed to half of the previous year's level. Those refiners financed by domestic capital expect their profits to deteriorate further.

YEAR TO END-MARCH 1978

	Sales (Y bn)	Rise %	Current profits (Y bn)	Rise %	Net profits (Y bn)	Rise %
Nippon	1,783.1	1.0	28.8	35.8	14.7	58.8
Maruzen	977.4	(−1.4)	3.1	(−67.0)	0.3	(−94.0)
Mitsubishi	750.0	(−2.0)	21.3	28.3	16.5	28.8
Koa	311.6	(−6.2)	8.4	47.3	2.7	58.4
Toa	318.3	(−5.8)	(−2.9)	n.a.*	0.1	(−76.6)
Fujikosan	160.1	(−0.2)	(−0.2)	n.a.†	0.7	(−92.0)
General	404.3	(−7.9)	5.5	14.6	2.4	14.3
Idemitsu‡	1,524.0	(−0.6)	18.9	(−12.1)	4.9	(−81.9)
Kyodo‡	1,602.3	(−2.6)	4.6	(−58.0)	1.3	(−85.4)

* Deficit of Y1.1bn in previous period. † Profit of Y0.66bn in previous period. ‡ Non-listed company.

Aid for Chisso over Minamata

BY OUR OWN CORRESPONDENT

HELP for Chisso Corporation to meet the bill for the mercury poisoning by the company of thousands of people near the chemical company's Minamata plant in the 1960s, is being considered by the Japanese Government and Kumamoto Prefecture. Under examination are Government loans to Chisso at easy terms to keep the company from collapsing while compensating victims of what has become known as the "Minamata disease."

The financial burden on Chisso is, indeed, great. So far the Government has designated 1,348 victims to receive compensation. Fishermen in the area also get compensation for loss of income from the poisoning of fish in Minamata waters from the mercury dumped by Chisso. As of last March, Chisso had paid out Y33.7bn ($150m) in compensation, but applications are pending from another 5,400 apparent victims of the disease.

Without outside help, there is little doubt that Chisso would collapse under the weight of further compensation. As it is, Chisso estimates that its cumulative deficit at March 31 was K27.6bn in excess of its assets. As a result, the company was forced to delist its stock from Japan's seven stock exchanges in October—a painful move for the company which boasted a quotation of about Y200 in 1969, compared with Y20 these days.

Kumamoto prefecture officials, who have control over the Minamata area, insist that the company must survive to ensure jobs for the approximately 1,500 people who work at Chisso. They maintain that despite the recession, Chisso's sales rose slightly (by 1.7 per cent) in fiscal 1977, and that with adequate management, the company can ultimately re-emerge as one of the strongest chemical companies in Japan. To that end, Kumamoto has volunteered to raise bonds under the prefecture's auspices for Chisso on the condition that the central Government in Tokyo participates by underwriting the loan. No figure has been mentioned for the total amount, but it is likely that the loan will be highly concessionary (probably at between 30 and 50 years maturity with the entire principal repayable at the end of the period). The interest rate, it is believed, would be set at just the level at which Kumamoto prefecture can normally borrow.

Officials are wary of underwriting the indirect loan to Chisso until the full extent of Chisso's obligations to Minamata victims is known. In short, the courts may rule that far more people deserve compensation than is currently assumed — in which case the present rescue operation might have to be followed by another, and perhaps still another. Already, one estimate of compensation over the next ten years is Y100bn. (Chisso posted total sales in fiscal 1977 of Y85.9bn.) The political impact of layoffs at Chisso and an interruption of compensation payments, however, make it extremely unlikely that Tokyo would let the company go under. A final package of rescue measures, however, will be discussed and probably adopted before July.

Jardine cash terms for minority deal

BY H. F. LEE

SINGAPORE, June 7.

JARDINE MATHESON has announced that the cash alternative to its offer of loan stock for its acquisition of shares in subsidiary, Jardine Matheson (South East Asia), from minority shareholders will be S$970 for every S$1,000 nominal of loan stock. This is equivalent to S$2.81 cash per Jardine Matheson (South East Asia) share.

Jardine which owns approximately 59 per cent of Jardine Matheson (South East Asia) last month announced that it intended to acquire the remaining shares in the Singapore-based subsidiary. The acquisition is to be effected by the issue of 8¾ per cent guaranteed unsecured loan stock by Jardine Matheson Investments (South East Asia) — another wholly-owned subsidiary within the Jardine Matheson (South East Asia) group—to minority shareholders on the basis of S$2.90 nominal for each ordinary share.

Jardine at that time also promised minority shareholders a cash alternative at a "small discount" to the nominal value of loan stock.

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan Australia 8¾pc 1989	96½	97½
AMEV 8pc 1987	96	96½
Australia 8½pc 1992	93	93½
Australian M. & S. 9½pc '92	97	97½
Barclays Bank 8¾pc 1992	96	96½
Bowater 9½pc 1992	98	98½
Can. N. Railway 8½pc 1986	96	96½
Credit National 8½pc 1986	[illegible]	97
Denmark 8½pc 1984	98½	99½
ECS 9pc 1993	99½	100½
ECS 8½pc 1997	95½	96
EIB 8½pc 1992	97½	98½
EMI 9½pc 1989	96½	99½
Ericsson 8½pc 1989	93½	96½
Esso 8pc 1986 Nov.	100½	101½
Gt. Lakes Paper 8½pc 1984	97½	98½
Hamersley 9½pc 1992	99½	100½
Hydro Quebec 9pc 1992	95½	96
ICI 8½pc 1987	96½	97½
ISE Canada 9½pc 1986	103½	104½
Macmillan Bloedel 9pc 1992	94½	95½
Massey Ferguson 9½pc '91	97½	98½
Michelin 9½pc 1988	100½	101½
Midland Int. Fin. 8½pc '92	96½	96½
National Coal Bd. 8pc 1987	94½	95½
National Westminstr. 9pc '86	100	100½
Newfoundland 9pc 1989	98½	99½
Nordic Inv. Bk. 9½pc 1988	97½	98
Norges Kom. Bk. 8½pc 1992	96	96½
Norpipe 8½pc 1989	96	98½
Norsk Hydro 8½pc 1992	95½	96½
Oslo 9pc 1988	99½	100½
Ports Autonomes 9pc 1991	98	98½
Prov. Quebec 9pc 1993	94	94½
Prov. Saskatchwn. 8½pc '86	98½	99
Reed International 9pc 1987	93½	93½
RHM 9pc 1992	93½	94
Selection Trust 8½pc 1989	91	92
Skand. Enskilda 9pc 1991	97½	98
SKF 8pc 1987	92½	93½
Sweden (K'dom) 8½pc 1987	95½	96
United Biscuits 9pc 1989	99½	99½
Volvo 8pc 1987 March	93½	94

NOTES	Bid	Offer
Australia 7¾pc 1984	94½	95
Bell Canada 7¾pc 1987	95½	96½
Br. Columbia Hyd. 7¾pc '85	[illegible]	94
Can. Pac. 8¼pc 1984	97½	98½
Dow Chemical 8pc 1986	96½	98½
ECS 7¾pc 1982	97½	96
ECS 8½pc 1989	95½	96½
EEC 7¾pc 1982	96½	97
EEC 7¾pc 1984	95½	96
Enso Gutzeit 8½pc 1984	96½	97½
Gotaverken 7¾pc 1982	96½	97
Kockums 8pc 1983	97½	98
Michelin 8½pc 1983	[illegible]	100½
Montreal Urban 8½pc 1981	[illegible]	100
New Brunswick 8pc 1984	96½	97½
New Bruns. Prov. 8½pc '83	98½	100½
New Zealand 8½pc 1986	96½	97½
Nordic Inv. Bk. 7¾pc 1984	93½	96
Norsk Hydro 7¾pc 1982	96	96½
Norway 7¾pc 1982	95½	96
Ontario Hydro 8pc 1987	94½	95
Singer 8½pc 1982	100½	101
S. of Scot. Elec. 8½pc 1981	98	98½
Sweden (K'dom) 7¾pc 1982	96½	97
Swedish State Co. 7¾pc '82	96	96½
Telmex 9½pc 1984	90	90½
Tenneco 7¾pc 1987 May	93½	94
Volkswagen 7¾pc 1987	94	94½

STERLING BONDS	Bid	Offer
Allied Breweries 10½pc '90	87½	88½
Citicorp 10pc 1993	90	91
Courtaulds 9½pc 1989	87½	88½
ECS 9½pc 1989	93½	94½
EIB 9½pc 1989	93½	94½
EIB 9½pc 1992	92½	93½
Finance for Ind. 9½pc 1987	90	90
Finance for Ind. 10pc 1989	90½	91½
Fisons 10½pc 1987	93½	94½
Gestetner 11pc 1988	91½	92½
INA 10pc 1988	89½	90½
Rowntree 10¾pc 1988	87	88
Sears 10½pc 1988	90½	91½
Total Oil 9½pc 1984	90½	91½

DM BONDS	Bid	Offer
Asian Dev. Bank 5½pc 1988	96½	97½
BNDE 6½pc 1986	96½	97½
Canada 4¾pc 1983	97½	98½
Den Norske Id. Bk. 6pc '90	98½	100
Deutsche Bank 4½pc 1983	97½	98½
ECS 5½pc 1990	95½	96
EIB 5½pc 1990	95½	96
Elf Aquitaine 5½pc 1988	94½	95½
Euratom 5½pc 1987	97½	98½
Finland 5½pc 1988	97½	98½
Forsmarks 5½pc 1990	98	98½
Mexico 6pc 1985	95½	96½
Norcem 5¾pc 1989	100	100½
Norway 4½pc 1983	99½	100
Norway 4½pc 1983	97½	98
PK Banken 5½pc 1988	96	96½
Prov. Quebec 6pc 1990	96½	97½
Rautaruukki 5¾pc 1988	96	97½
Spain 6pc 1988	95½	96½
Trondheim 5¾pc 1988	97	97½
TVO Power Co 6pc 1988	97½	98½
Venezuela 6pc 1988	97½	98
World Bank 5½pc 1990	98	98½

FLOATING RATE NOTES	Bid	Offer
Bank of Tokyo 1984 8½pc	99½	100½
BFCE 1984 8½pc	99½	100
BNP 1983 8½pc	100½	100½
BQE Worms 1985	[illegible]	99½
CCF 1985 8½pc	99½	99½
CGMF 1984 8¾pc	99½	100½
Creditanstalt 1984 6½pc	99½	100
DG Bank 1982 7½pc	100½	100½
GZB 1981 8½pc	100½	101
Intl. Westminster 1984 8pc	99½	99½
Lloyds 1983 8¾pc	100½	100½
LTCB 1985 8pc	99½	100
Midland 1987 8¾pc	99½	100½
Nat. Westminster Bk. 1990	99½	99½
OKB 1983 7¾pc	99½	100½
SNCF 1985 8½pc	99½	99½
Stand. and Chard. '84 8½pc	99½	100½
Wms. and Glyn's '84 8¾pc	99½	100½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	87	88½
Ashland 5pc 1988	98	94½
Babcock & Wilcox 6½pc '97	103½	104½
Beatrice Foods 4½pc 1992	98½	100
Beatrice Foods 4⅞pc 1992	110	112
Beecham 6½pc 1992	96½	97½
Borden 5pc 1992	102	103½
Broadway Hale 4½pc 1987	78	79½
Carnation 4pc 1987	77½	79
Chevron 5pc 1988	136	137½
Dart 4½pc 1987	83½	85
Eastman Kodak 4½pc 1988	85	86½
Economic Labs. 4½pc 1987	[illegible]	78½
Firestone 5pc 1988	83½	84
Ford 5pc 1988	88½	90
General Electric 4¼pc 1987	83½	85
Gillette 4¾pc 1987	77	78½
Gould 5pc 1987	119	120½
Gulf and Western 5pc 1988	87	88½
Harris 5pc 1992	196	198
Honeywell 6pc 1986	87½	89
ICI 6½pc 1992	90½	91½
INA 6pc 1997	97	98½
Inchcape 6¾pc 1992	114½	115½
ITT 4½pc 1987	81	82½
Jusco 6pc 1992	172½	174½
Komatsu 7½pc 1990	128½	129½
J. Ray McDermott 4¾pc '87	177	180
Matsushita 6½pc 1990	161½	163
Mitsui 7½pc 1990	119	120
J. P. Morgan 4½pc 1987	100	101½
Nabisco 5½pc 1988	104	105½
Owens Illinois 4½pc 1987	113½	115
J. C. Penney 4½pc 1987	77	79½
Revlon 4¾pc 1987	122½	124
Reynolds Metals 5pc 1988	80	87½
Sandvik 6½pc 1988	106	110
Sperry Rand 4¼pc 1987	83½	85
Squibb 4½pc 1987	82	83½
Texaco 4½pc 1988	79½	81
Toshiba 6½pc 1992	124½	127½
Ty Co. 5pc 1984	76½	78
Union Carbide 4¾pc 1982	94½	96
Warner Lambert 4½pc 1987	83½	85
Warner Lambert 4½pc 1988	78	79½
Xerox 5pc 1988	79	80½

Source: Kidder, Peabody Securities.

VONTOBEL EUROBOND INDICES

14.5.76 = 100%

PRICE INDEX	30.5.78	6.6.78	AVERAGE YIELD	30.5.78	6.6.78
DM Bonds	105.72	106.10	DM Bonds	6.611	6.543
HFL Bonds & Notes	104.67	105.19	HFL Bonds & Notes	7.472	7.397
U.S. $ Strt. Bonds	99.37	99.12	U.S. $ Strt. Bonds	8.811	8.841
Can.-Dollar Bonds	100.00	99.91	Can.-Dollar Bonds	9.284	9.312

APPOINTMENTS

Campbell Adamson to be chairman of Abbey National

Sir Campbell Adamson, who joined the Board of the ABBEY NATIONAL BUILDING SOCIETY two years ago, is to become chairman from November 1 on the retirement of Lord Hill of Luton. Sir Campbell was director-general of the Confederation of British Industry between 1969 and 1976.

Mr. H. L. P. Timberlake will retire from the posts of deputy chairman and chief general manager at the end of February next year and will remain a director. Mr. Jeremy Rowe will succeed Mr. Timberlake as the deputy chairman from March 1, 1979, acting as an additional deputy chairman from November 1. Mr. C. E. I. Thornton at present chief solicitor of the society will replace Mr. Timberlake as chief general manager from March 1, 1979, becoming deputy chief general manager in the meantime.

Sir Campbell Adamson

★

Mr. Eric Sayers, 61, chairman of Duport, the Midlands based industrial holding company, was elected yesterday president of the INSTITUTE OF CHARTERED ACCOUNTANTS in England and Wales for the coming year. He is only the second "industrial" accountant in the institute's 100 years of life. All the other presidents have been practising accountants.

Mr. Sayers' interest in the industrial side of accountancy led him to specialise in management accounting and the application of modern techniques to business management.

Mr. David Richards, a partner in Deloitte Haskins and Sells, was elected deputy president of the Institute, and Mr. Richard Wilkes, a partner in Price Waterhouse and Company, was elected vice-president.

★

Sir Richard Stuart Taylor has been appointed managing director of PD FUELS, a member of the Powell Duffryn Group. Mr. J. M. Dudgeon has also joined the Board, succeeding Sir Richard as director responsible for the southern counties coal division.

★

Mr. P. H. Bartrum, Mr. W. G. Niven and Mr. J. D. Russell-Taylor, members of the general management of Sun Alliance Insurance Group, have been appointed directors of SUN ALLIANCE AND LONDON INSURANCE and its principal subsidiaries.

★

Mr. M. E. Thompson has joined the Board of ROTHMANS INTERNATIONAL with the executive responsibilities of finance director. Mr. Thompson has been with the Rothmans Group for 20 years. Prior to his appointment to the board, he was financial controller.

★

KLEEMAN PLASTICS GROUP has made the following appointments: Mr. John Beney joins Wokingham Plastics as director and general manager. He was previously sales director of Arrow Plastics. Mr. Michael Jeffs, who has been general manager of Osmoy Components, has been made a director of that company.

★

Mr. Brian W. Oakley has been appointed secretary of the SCIENCE RESEARCH COUNCIL in succession to Mr. R. St. J. Walker, who will retire on June 30. Mr. Oakley is an Under Secretary at the Department of Industry and has been head of Research Requirements Division since its inception in 1972.

★

Mr. Richard Webb has been appointed an executive local director of the London Eastern District of BARCLAYS BANK.

★

Mr. T. Y. Benyon has resigned as a main board director of the MOSSMINSTER GROUP to devote more time to his other interests.

★

Mr. Derek Hoffmann has joined the Board of KINS APPLIED TECHNOLOGY, a member of the WS Atkins Group.

★

The LONDON METAL EXCHANGE has appointed Mr. R. A. Edwards as executive secretary to the committee to replace Mr. R. Gibson-Jarvie who is leaving the company. Mr. E. J. Foster has been re-elected chairman of the committee and Mr. C. J. B. Green re-elected vice-chairman.

★

Mr. Charles B. Heath, general manager (UK) of GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION and a director, has been given additional responsibility of general manager of Yorkshire-General Life Assurance following the death of Mr. C. R. Fisher. Mr. George Myers continues as assistant general manager and actuary of Yorkshire-General and Mr. Norman Graham as assistant general manager.

★

BOWTHORPE HOLDINGS has made a number of Board appointments to its main subsidiary, Bowthorpe - Hellermann. Mr. Walter Bourne, remains managing director of Hellermann Insuloid and joins the main Board with responsibility for group export and overseas development. Mr. Jack Britz, continues as group personnel manager and has become personnel director of Bowthorne EMP and Mr. Andrew Goodburn is now commercial director of that concern. Mr. Stephen Salmon, group chief accountant also becomes financial director, Bowthorpe-Hellermann Distributors. Mr. Malcolm Garrett has been appointed marketing director of Hellermann Electric and a director of Bowthorpe-Hellermann Distributors.

★

Mr. E. A. K. Patrick has been appointed director of WATSON HOUSE, the British Gas research station in Fulham. He succeeds Mr. Clifford Purkis, who retires at the end of June.

★

Mr. P. A. Fowler has joined the Board of COALITE AND CHEMICAL PRODUCTS, following his recent appointment as a divisional managing director. Mr. A. M. Bell, a non-executive director has retired from the Board on medical grounds.

★

Mr. Ronald Sargeaunt has been appointed managing director of GOLDERSTAT, a subsidiary of Arenson (Holdings).

★

Mr. G. E. Darwin has been appointed managing director and chief executive (designate), of RICHARDSONS WESTGARTH AND CO.

★

Lord Brimelow is to be chairman of the OCCUPATIONAL PENSIONS BOARD from July 1, following the resignation of Lord Allen of Abbeydale at the end of this month. Lord Allen is resigning from the chairmanship in view of his other commitments which have included, since last February, appointment to the Tribunal of Inquiry on the Crown Agents. Lord Brimelow was Permanent Under-Secretary of State, Foreign and Commonwealth Office and Head of the Diplomatic Service, from 1973 to 1975.

★

The MINISTRY OF DEFENCE has made the following appointments. Lieutenant General Sir Robert Ford, to be Adjutant General, Ministry of Defence, in September 1978, in the rank of General, in succession to General Sir Jack Harman. This appointment carries with it membership of the Army Board of the Defence Council. Major General J. M. Gow is to be General Commanding Scotland in January 1979 in the rank of Lieutenant General in place of Lieutenant General Sir David Scott-Barrett, who is to retire.

★

Mr. Eric Churchyard has been appointed managing director of REED ENGINEERING AND DEVELOPMENT SERVICES. From August 31, on the retirement of Mr. Arthur Western, chairman and chief executive, Mr. Cyril Warmington will become chairman and Mr. Jonathan Benn, deputy chairman. Mr. Warmington is deputy chairman, Reed Group and Mr. Benn, chairman and chief executive of Reed Paper and Board (U.K.).

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Notice is hereby given that the 10th Annual General Meeting of the shareholders of the Company will be held at its registered office, Keppel Shipyard Administrative Building, 325 Telok Blangah Road, Singapore 4, on Friday, 30th June 1978 at 3.00 pm to transact the following business:

1. To receive and adopt the profit and loss account, balance sheet and the reports of the directors and auditors for the year ended 31st December, 1977.
2. To sanction the amount proposed for directors' remuneration.
3. To elect directors.
4. To declare the dividend recommended by the directors.
5. To appoint auditors and fix their remuneration.
6. To transact any other ordinary business of the company.

By Order of the Board
Tay Kim Kah
Secretary

Singapore, 8th June 1978

Note:
A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, and, on a poll, to vote instead of him. A proxy need not be a member of the company. The instrument appointing a proxy must be deposited at the registered office at least 48 hours before the meeting.

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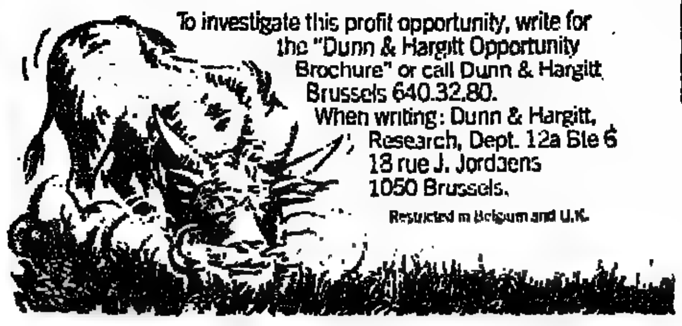

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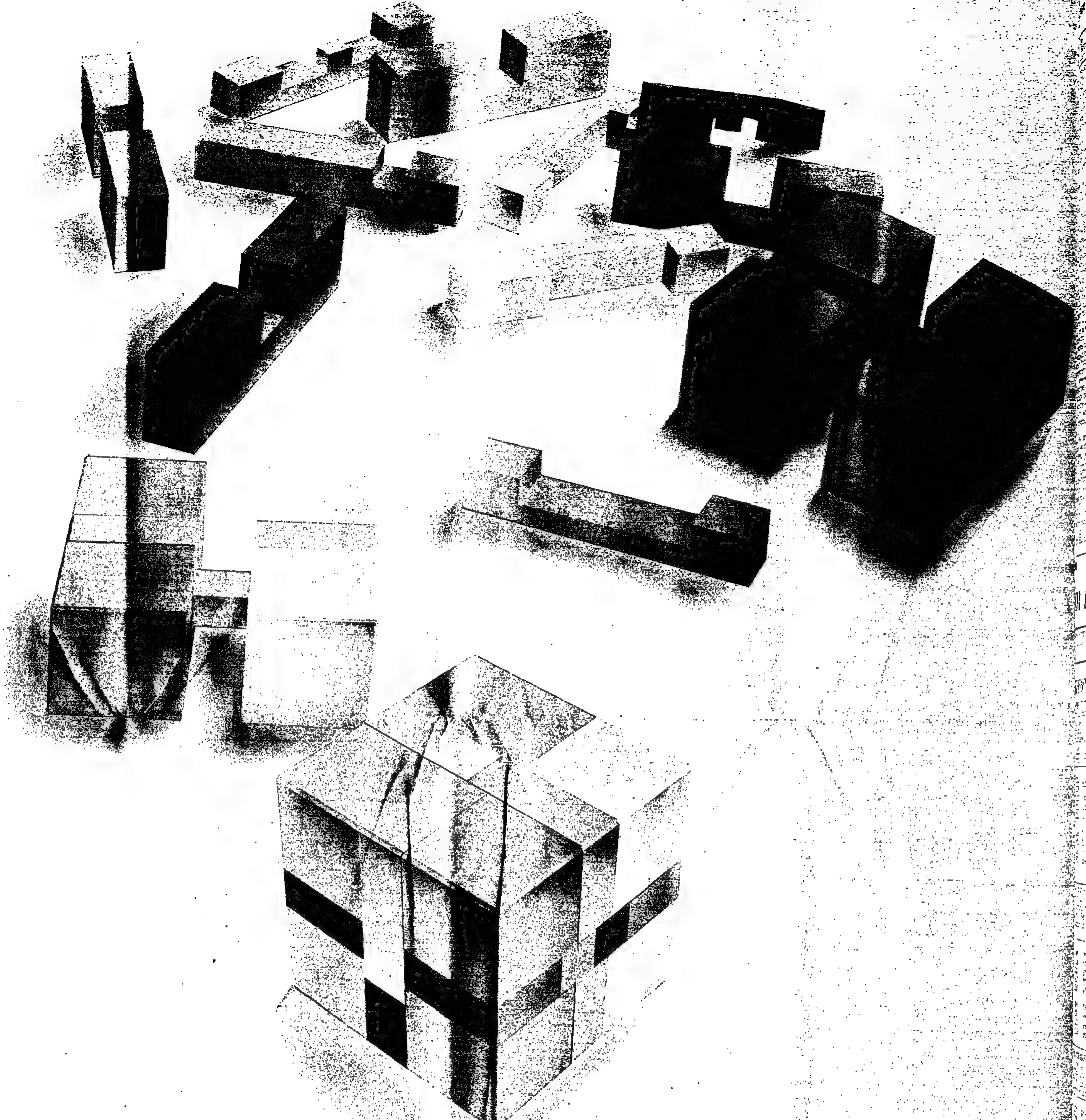

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Last phase

BY GEORGE MALCOLM THOMSON

Farewell the Trumpets: An Imperial Retreat by James Morris. Faber, £9.50. 624 pages

It would be easy to make a case for the late, great British Empire. An institution enlarging for the mind, broadening for the sympathies, outward-looking, generous, as compared with the nationalisms which are its sequel, xenophobic, selfish, petty-minded and so forth. It would be easy but it is not necessary.

The sequel speaks for itself. Is "Africa for the Cubans" a cry to make the liberal heart beat faster?

And there is no point in making a case for a corpse. Certainly James Morris in the third volume of his imperial trilogy is not making a defence, his attitude is predictably ambivalent. The Empire is to be regretted, deplored and admired. The most suitable response to it is perhaps amazement.

Morris is writing about the final imperial phase, a difficult task; it is hard to make an epic out of an anti-climax.

The end of the Empire was decline without fall, instead, a confused slither into the dust. So Morris is not to be blamed if this is something of a scrapbook, an imperial museum with many exhibits but somehow a lack of coherent arrangement.

On the other hand the author has a good reporter's eye for the quickening irrelevant detail. There is sometimes an advantage in having things harum-scarum. And Morris writes with the most engaging vivacity, at times mocking, at times moving, picturesque but astringent.

The obsequies are conducted without undue solemnity. And, thank goodness, without the bogus *sense of guilt which was* one of the more nauseating symptoms of the recent Left, e.g. Kingsley Martin's wail to Nehru, "Will you ever be able to forgive us, Jawaharlal?"

One of Morris's difficulties is that there were nearly as *many motives, good and bad, for dis*posing of the Empire as there were for acquiring it. Also, by that time almost all the *greatest* personalities have left the stage.

Even so, there are remarkable figures among them: those who came, to late to build: Rhodes, Lugard, Delamere. There are great eccentrics: Lawrence, Younghusband, St. John Philby. There is the occasional aesthete, Ronald Storrs. There were scholars galore.

Anyone who still thinks that the imperialists were insensitive to the culture of the people they governed need only read Charles Bell's *Tibetan Dictionary*, James Evans's *Alphabet of the Cree language*, and Elias Ney's translation of the *Tarikh-i-Rashidi*. And there are dozens more like *them, learned, devoted servants* of the Empire.

It was one of the late imperialists, Curzon, a viceroy with a reputation *for pomposity, in fact a humorous, idiosyncratic* man, who framed a memorable re-statement of the imperial theme:

"Remember that the Almighty has placed in your hands the greatest of His ploughs, in whose furrow the nations of the future are germinating and taking shape."

Rhetoric? Of course.

The twilight is the time for rhetoric, style and self-doubt; the time for Kipling, Elgar and Lutyens, architect of the only magnificent imperial building, the *Viceroy's palace at New* Delhi: bigger than Versailles; 6,000 servants; 130 chairs in the state dining room; a porphyry floor in the Durbar room and columns of yellow jasper. As a palace, too late; as a mausoleum pretty grand.

"*Too late! The flare of the* imperial confidence had been too brief, too illusary perhaps, and the only real epic of Empire lay in the memory of the thing itself, the surprise and the effrontery of it."

Thus Morris, finding the right *words for that late hour* in the story.

This hillman at Simla in 1866 was drawn by R. Clint. It is one of many nostalgic illustrations in "Simla: A Hill Station in British India" by Pat Barr and Ray Desmond (Scolar Press, £12.50, 108 pages), a fascinating album of imperial glory

Strangely enough it is a woman of the nineties who states best the original imperial idea. She is an astonishing late Victorian spinster, Mary Kingsley, who met the expenses of her fabulous African travels by trading in *palm oil and rubber. The Colonial* Office, naturally, detested her; *Africans loved her.*

She boasted that some of her ancestors had been slave traders; she had *nothing* but contempt for "the windbag pretensions of the New Imperialism, and despised missionaries, and loathed Little Englanders."

She thought trade to be the purpose of Empire and, against more high-falutin' notions fashionable in her time, harked back to the hard-fisted philosophy on which the thing was founded. Was Mary wrong? The Empire has gone. The trade remains?

Can one fix a date when the Empire finally shut down? Singapore? Suez? As Karl Marx said, "History does repeat itself, first as tragedy; the second time as farce."

But, Singapore or Suez, there were few who asked the question, Why did it die? Because it was *inevitable that it should*? But that is only an excuse for failure. An inability to adapt? A weakening of the pristine romantic impulse in the British?

Another question, more important: What comes after? Who succeeds? For who was Lutyens building his palace? An Indian viceroy? Or, perhaps a Chinese?

C. P. Snow is away

Fires still burning

BY JOHN LLOYD

Coal and Energy by Derek Ezra. Benn £5.95. 182 pages

If Lord Robens will go down in industrial history as the man who flamboyantly presided over the sharp contraction in the British coal industry, Sir Derek Ezra must be recorded as the man who cannily supervised its expansion.

To have had such greatness thrust upon him must have been a surprise. He succeeded Robens as Chairman of the National Coal Board in 1971 when coal was a king long since dethroned, and a fair way along the road to death by starvation. As Ezra reminds us in his book, "before 1974 . . . the amount of investment on new major prospects was as low as £7m a year." For an industry which depends upon new sources of supply being constantly worked up (and which now spends hundreds of millions of pounds a year in doing so) such levels of funding were slow murder.

But 1974 was the year when the king was called back to his domain. The OPEC countries were the *kingmakers* when, in 1973, they began the series of oil price rises which quadrupled the cost of their commodity and forced western governments to concentrate their minds on energy policies which would lessen their reliance on oil.

It was perhaps inevitable that Britain, whose first industrial revolution had been based on coal and whose governing Labour Party had good reason to be grateful to the National Union of Mineworkers *for their tenure* of office, should turn to coal. It is alone among West European states—with the partial exception of West Germany—in doing so. *Yet the reasons for taking* this decision are powerful ones, and Ezra's argument is the most coherent gloss on the strategy so far.

The strategy is embodied essentially in two tripartite Government / Unions / NCB documents. *Plan for Coal* (which looks forward to 1985) and *Coal to the Year 2000*, which completes the picture to the end of the millenium. These present the *skeletal framework* for an expansion of coal output from its present level of around 120m tons a year to 135m tons by 1985, then to *around 170m tons* by 2000. The justification for such expansion is, first, that natural oil and gas will begin to be in short supply by the 1990s and second, that nuclear power cannot adequately fill the gap left by the withdrawal of these energy sources *from the market. Coal is the* filler of the energy gap.

A simple enough thesis, as *Ezra disarmingly claimed during* his book's launching ceremony. There is, naturally enough, a complicating factor on which he does not dwell, but which deserves a brief rehearsal. It is that while it may make good sense greatly to expand produc*tion to fill the future gap*, there remains a period up to 1985, and quite possibly for longer, when the markets for coal will not increase as its production does, largely because energy *consumers* do not *possess* the same conviction which Ezra has that coal is good for them.

Electricity producers, including our own Central Electricity *Generating Board and South of* Scotland Electricity Board, want to take on nuclear capacity as fast as possible (faster than the UK Government presently thinks desirable). Steel producers, coal's second biggest customer, are unlikely to want as much coke as they did two years ago—before the recession—for a very long time, if ever. Other industrial users are so far reluctant to convert, or convert back, to coal. The *home* fires keep burning, even slightly brighter than in the recent past, but they constitute a small market.

Derek Ezra: renascence of coal

Thus before Ezra can staunch the gap in the nation's energy needs, he must close that in his own marketing strategy, or at least suffer it for long enough *to break through to health in ten,* fifteen or twenty years time.

In essence, the book concentrates on *that* period, arguing forcefully that if growth is not sustained now, then in the long run, we are all cold. When the oil and gas run out, coal must be there, with a new technology developed to turn it into substitute natural gas, oil-from-coal and—*as a by-product—chemicals* and plastics. By that time, too, it will have perfected the fluidised bed combustion process, in which relatively small amounts of coal can be burned in power station boilers on a bed of ash and air to turn water into *steam at much greater efficiency* than is presently the case. More futuristically still, it may then be possible to gasify, liquify or burn it underground without *men risking their lives to bring* it to the surface.

It is not to be supposed that the chairman of the Coal Board would argue other than that his product has a magnificent future. But he does so carefully, and it will take careful refutation if it is to be challenged. One warning: do not believe the author's claim, made near the beginning, that "I shall try to keep my use of statistics to the minimum." He uses them to the maximum. The work is thus a mine (no pun intended) of information, to which end ease of reading has been—inevitably, and probably rightly—sacrificed.

Raising a laugh or two

BY RACHEL BILLINGTON

The New Oxford Book of Light Verse chosen and edited by Kingsley Amis. Oxford, £4.25. 347 pages

Kingsley Amis does not take *lightly the task of selection for* a new book of light verse. He has written an aggressive introduction. He violently disagrees with W. H. Auden's principles of *choice* for the previous volume which he considers were based on his misguided left wing views. *He explains that Auden's kind of* light verse poet, "unselfconsciously shares the common life and language of ordinary men and writes to the one in the *other, in something close to the* speaking voice." This attitude, Peter Porter told Mr. Amis, produced "a revolutionary anthology." If this is the case, *he* replies sternly, then "I will be satisfied if another generation altogether sees in mine a *reactionary anthology.*"

His own principles seem *fairly straightforward.* The matter of the poem should be "light" as opposed to "weighty." (He is understandably upset by Auden's inclusion of "Danny Deever" by Kipling.) And the manner of the poem should be of first importance. "A concert pianist," he says, "is allowed a wrong note here and there; a juggler is not allowed to drop a plate."

It would seem that despite his emphasis on the difficulties of perfecting technique, Mr. Amis' *purist definition may be down*grading light verse. We are not even allowed Satire or Parody if it is too cruel or too obscure . . . *light verse must not, cannot* be difficult." To read, that is.

Comedy, of course, is the backbone of his definition. He quotes with approval Charles *Dibdin's preface* to his *Comic Tales and Lyrical Fancies* (1825), "To raise a good-natured smile *was the major part of this work* written."

But he is hard on Nursery Rhymes and Nonsense Verse. "At times," he says of Edward *Lear*, "*the threshold of pain is* reached." And he only admits to including "a handful of his *limericks* with reluctance."

"Vers de société," we gather, produced an even larger crop of forgettable poems although Lord Byron and W. M. Praed (1897-39) are commended and Sir John Betjeman, Auden and Philip Larkin get a special mention for rising above their genre.

Mr. Amis keeps his harshest words for the work of contemporary writers from whom he could scarcely find a representative to add to the volume. He quotes from one unnamed modern poet at length and then comments:—

"It is no part of my commission to *say* that this is actually not verse at all in any *sense that makes sense*, though I will say so. What does concern me here is that when what is presumably aspiring to be high verse abandons form, *a mortal blow is dealt to light* verse, to which form has always been of the essence."

Such a bold introduction has the excellent effect of making one approach to the poetry with *a sense of anticipation* not usually felt when turning to the pages of a book of light verse. Has Mr. Amis made a howler? Has he emasculated the "light" to such an extent that there is nothing left to excite?

Of course this is not the case. English poetry through the ages could sustain any theories, any limits. Mr. Amis has given us a well-judged parade of verses which can be sure to amuse, possibly interest and even *surprise*. His emphasis on the cleverly made poem gives me some of my favourites John Gay's "A New Song of Similes",

Brisk as a body-louse she trips,
Clean as a penny dressed;
Sweet as a rose her breath and lips,
Round as the globe her breast.

His admiration for Praed gives us the excellent "The Talented Man";

Last week, at the Duchess's ball,
Dear Alice! you'll laugh when you know it,—
I danced with the clever new poet,—
You've heard of him,—
Tully St. Paul.

Beauty and romance are definitely not allowed to weigh down the pages with the result that there is a heavy (*sorry, rich*) diet of laughter. So much so that sometimes I felt I was reading the *Oxford Book of Comic Verse. Old friends such as* Lewis Caroll's "Hiawatha's Photographing," Noël Coward's "Mad Dogs and Englishmen," Betjeman's "A Subaltern's Love-Song" are as enjoyable as ever.

But in the end I found my tastes had dropped lower and lower. The brilliance of G. K. Chesterton's "After Browning, Swinburne or Yeats" or T. S. Eliot on cats failed to raise a flicker of a smile. But I heaved with laughter over some donnish anonymous limericks and a poem by Gavin Ewart, entitled "Miss Twye."

"Miss Twye was soaping her breasts in the bath
When she heard behind her a meaning laugh
And to her amazement she discovered
A wicked man in the bathroom cupboard."

In his introduction, tucked away among his fiery statements of *what light verse is not*, Kingsley Amis mentions that "all light art is likely to deliver, now and then, a jolt to the gentler emotions, the more tell*ing for its unexpectedness.*" I don't know whether he was thinking of "Miss Twye" and her like when he wrote this. But it seems to me it represents the peak of his soufflé.

The only trouble is that his principles don't make a good set*ting for a few poems of a very* different sort. For example, Philip Larkin's "Toads Revisited," or D. J. Enright's "An Underdeveloped Country" gives me the uncomfortable feeling that there's another colder world outside: where the laughs are of *a somewhat different nature*. And that maybe I shouldn't be wasting my time . . . A thought like that gives a very serious jolt indeed.

Fiction

Dim little man

BY ISOBEL MURRAY

The Husband's Story by Norman Collins. Collins, £5.50. 357 pages

Promised Land by Karel Schoeman. Julian Friedmann, £3.50, 201 pages

Isobel Quirk in Orbit by Tom Wakefield. Routledge and Kegan Paul, £3.95. 196 pages

Saturday City by Jan Webster. Collins, £5.50. 350 pages

The Four Horses by Chapman Pincher. Michael Joseph, £4.95. 289 pages

Stanley Pitts was deeply hurt at his treason trial when his Defence Council ridiculed comparisons with Machiavelli and Houdini, and referred to him as "a mere Charlie Chaplin of *crime*." But this is the essence of Norman Collins's new novel. Stanley Pitts is an archetypally dim little man, a conscientious and unpromotable civil servant. He has an aggressive and driving wife and no refuge from reality except his hobby—*artistic photography of a romantic-sentimental* nature with appropriate captions.

Stanley and his wife Beryl are appallingly credible characters. Even Stanley understands his *own ineffectuality, his perpetual* failure to please his wife, personally or financially, his combination of efficiency at his job as filing clerk with lack of initiative and drive to take him further up the ladder. If Stanley does not understand, Beryl is *always there to remind him*, to outspend his salary, to reproach what she calls his meanness and lack of consideration, to despise his wormlike qualities and his inability to resemble her first love, Cliff, whose dashing and morally dubious career she *follows* breathlessly and occasionally hopes at last to share.

Beryl is so horrible, provoking such a strong reaction, that she *is clearly a credible character*. Stanley is the major character, and we see him from within and without, *understanding yet not* endorsing his pathetic, stumbling descent into crime. It is, naturally, through Stanley's pride in his photographic achievements that he is initially approached with an offer of commercial success, which develops into *promise of even greater cash* rewards from nude studies—and suddenly Stanley is in a black*mail situation,* with demands for top secret documents to be photographed — and the plot races on.

Norman Colins is a very pro*fessional writer, and tells his* story with skill and attention to pace. This will be a very popular book, and will no doubt follow *London Belongs To Me* to the small screen, and be equally successful there.

Promised Land is the first of Karel Schoeman's Afrikaans novels to be translated into English. Since its first publication in 1972 it has been very controversial and I suspect that people have chosen to interpret the slightly allegorical "message" *rather differently: I cannot* see how it could have won prizes in South Africa with the message as I read it.

The book is set in an un*specified future, in Afrikaner* country, when a young man of that descent, whose home is in Switzerland, returns briefly to look at his inheritance. This *turns out to be a bare site* which was once a large farm, demolished at the time of the "troubles" because used as hospital and arms base. Gradually George discovers how his people now live in a situation where tables have for a long time been turned.

We gather that some unspecified people or race are now in control of the country, and that the once rich, prosperous and governing Afrikaaners are permitted to live quietly and very frugally on near-derelict *farms* at some danger to their lives. We even see a few of the young men arrested for guerrilla attacks on whoever is in power.

The effect of the book derives largely from its concreteness and careful refusal to dramatise or enlarge. Although the rural struggle for survival George perceives has a shabbiness in common with the city squalor *of 1984*, the avoidance of apo*calypse and the low authorial* profile are the chief factors that ensure the book's success.

Tom Wakefield's *Isobel Quirk in Orbit* also limits itself carefully to its (less ambitious) subject. In a framework of the day Isobel presents herself for inter*view as a headmistress*, we find in flashback the story of her emotional development and the reasons for her dedication to teaching.

The main part of the novel is concerned with her experiences at College, an influential female *lecturer* and the start of her relationship with Matthew Quirk, and with a summer spent *in Morocco working* at a charitable welfare centre. Disloyalty, real love and tragedy ensure Isobel's return to teaching, and her experiences implicitly make her a good teacher. The book is quite well-written but seems a little under-ambitious.

Jan Webster's *Saturday City* is the continuation of the family saga she began in *Colliers Row*. This volume deals with the surprisingly varied personalities and careers of Kate Kilgour's family from the 1880s to the end of the Great War. We have close up views of Scottish miners' struggles, Glasgow in the era of teashops and Charles Rennie Mackintosh, the *Suffragettes*, the formation of the first Scottish Labour Party, strikes, unions and the first Labour MPs, coal owners, the beginning of a car *industry and a whole lot more.*

In The Four Horses Chapman Pincher has taken a splendid idea and a simplistic thesis about the inevitability of each *generation making similar mis*takes and having temptations to power, and yoked them all uncomfortably together. The horses are those bronze master*pieces on the front of San Marco* in Venice: the idea is to recapitulate their history inside a contemporary thriller, and the thesis is the let down.

Traditionally the horses were made by Lysippus for Alexander the Great, obtained by Nero for his self-advertisement, transferred for similar reasons to Constantinople by its eponymous founder, fraudulently acquired by a Doge of Venice supposedly intent on a Crusade, filched from Venice by Napoleon and returned there by Austrians who soon regretted it. Pincher tells these *splended tales in the context of* a contemporary terrorist attack, but spoils his book by unnecessarily silly coincidences, and ponderous theorising.

Norman Collins: trouble at Pitts'

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output, engineering orders, *retail sales volume (1970=100)*; retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1977							
1st qtr.	103.2	105.2	109	103.3	216.4	1,330	na
2nd qtr.	101.9	103.0	106	102.5	222.0	1,330	163
3rd qtr.	102.7	103.7	106	104.3	234.2	1,418	151
4th qtr.	101.9	102.8	107	104.4	239.4	1,431	157
Dec.	102.5	103.6	100	106.9	246.0	1,438	163
1978							
1st qtr.	103.6	103.9		106.2	246.0	1,409	188
Jan.	103.2	103.4	106	104.9	241.0	1,419	180
Feb.	103.9	103.9	117	106.8	246.5	1,409	187
March	103.7	104.5		107.0	249.8	1,400	196
April				106.7	250.3	1,387	204
May						1,366	210

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and *fuels*); engineering output, metal manufacture, textiles, leather and clothing (1970=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1977							
1st qtr.	115.8	99.4	106.1	100.4	83.9	104.4	19.9
2nd qtr.	113.4	97.6	105.2	98.8	80.5	100.2	23.1
3rd qtr.	115.2	97.6	104.9	99.3	83.3	100.9	25.4
4th qtr.	116.7	97.2	101.4	98.8	74.8	99.4	20.7
Dec.	118.0	97.0	102.0	99.0	79.0	101.0	16.1
1978							
1st qtr.	116.4	98.8	105.1	100.2	76.9	100.2	17.8
Jan.	116.0	98.0	104.0	100.0	76.0	99.0	17.4
Feb.	117.0	99.0	106.0	100.0	78.0	100.0	15.3
March	117.0	99.0	105.0	101.0	77.0	101.0	20.7
April							[illegible]

EXTERNAL TRADE—*Indices of* export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1977							
1st qtr.	115.7	109.1	−947	−305	−800	99.0	10.5
2nd qtr.	118.0	109.8	−764	−364	−745	100.3	14.9
3rd qt.	124.1	106.4	+ 54	+463	−602	101.0	13.4
4th qt.	117.9	102.6	+ 45	+351	−657	102.4	20.39
Dec.	118.9	108.1	− 76	+ 26	−275	103.1	20.56
1978							
1st qtr.	120.5	113.6	−520	−220	−646	104.9	20.63
Jan.	112.3	114.3	−332	−232	[illegible]	105.4	20.87
Feb.	127.9	110.1	+ 82	+182	−202	104.8	20.7
March	121.4	116.4	−270	−170	−208	104.7	20.32
April	126.3	102.6	+236	+336	−115	104.0	17.04
May							16.66

FINANCIAL—*Money supply* M1 *and* sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. *Minimum* lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
1st qtr.	1.3	− 8.8	5.3	− 74	492	1,008	10½
2nd qtr.	24.8	14.9	5.5	+769	1,290	1,047	8
3rd qtr.	28.0	10.4	20.3	+365	1,084	1,149	7
4th qtr.	25.1	12.6	8.4	+698	1,565	1,189	7
Dec.	23.2	12.6	8.4	+161	421	410	7
1978							
1st qtr.	25.1	24.2	17.6	+1,819	1,049	1,260	6½
Jan.	23.2	17.3	13.4	258	388	429	6½
Feb.	26.8	25.5	17.9	963	353	418	6½
March	25.1	24.2	17.5	598	308	413	6½
April	19.1	24.7	12.6	1,248	335	463	7
May							9

INFLATION—Indices of earnings (Jan. 1976=100), basic materials and fuels, wholesale prices of *manufactured products* (1970=100); retail prices and food prices (1974=100); FT commodity *index (July 1952=100)*; trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
1st qtr.	112.5	341.5	248.0	174.1	184.7	276.4	61.8
2nd qtr.	114.5	347.7	259.2	181.9	191.1	250.0	61.6
3rd qtr.	116.1	340.5	267.7	184.7	192.1	239.9	61.8
4th qtr.	119.9	330.6	272.1	187.4	193.3	234.20	63.3
Dec.	121.7	328.0	273.3	188.4	194.8	234.20	63.8
1978							
1st qtr.	123.0	326.7	278.9	190.6	197.3	238.61	64.6
Jan.	121.5	[illegible]	277.1	189.5	196.1	226.41	[illegible]
Feb.	122.7	324.2	279.2	190.6	197.3	224.86	66.0
March	124.8	330.9	280.5	191.8	198.4	235.61	64.1
April		337.2	282.6	194.6	201.6	238.94	61.8
May						250.67	61.4

* Not seasonally adjusted.

A gentlemanly exchange

BY ROBIN LANE FOX

The Lyttelton/Hart-Davis Letters edited and introduced by Sir Rupert Hart-Davis. John Murray, £6.95. 220 pages

The *Lyttelton-Hart-Davis* letters began late. In 1955 Sir Rupert Hart-Davis was 48 and still in command of his own publishing company. The Hon. George Lyttelton, who had once taught him at Eton, was 72. Slightly less fully employed than in his schoolmastering days, he could still discern the good from the ordinary; Miller, not Trueman, Bunyan, not Rose Macaulay. As the elder partner, he sustains the *letters' tone*, writing weekly over two years with hardly a reference to public events. This limit is conscious and duly noted. Only one catastrophe intrudes, the flooding-out of an old bed-ridden lady and her house in Woodbridge "with no staff except a daily."

The partnership is elderly and at times indulgent. Reared on Extra Studies, the Lyttelton manner is naturally to hold forth. Hence there has "never been such a reader of prose as the Greek Ambassador in 1916"; "Conybeare always maintained"; Crace was wise on teaching, Tuppy Headlam on the way that *Lady Violet Bonham-Carter* would spit while she talked brilliantly. Hart-Davis tends to play back, bowl a few half-volleys, drop a Duff Cooper or two and *keep up the impetus by calling* the letters splendid.

A second volume, aired in the preface, would need to change pace. But this one, private, lettered and well-produced, is worth reading. Either partner can be pleasantly skittish. As usual, the triumphs of publishers and schoolmasters are vicarious. Yet *these two are strong in* the strongest suit of the more civilised old Etonians out of public office: an absolute lack of pomposity, because they do not need it. *The style is not unrepresenta*tive. Quite unintentionally it bears on the ideals of a wider group, one which already seems, importantly, to be past history.

I do not want to be too portentous about a deliberately slight and conversationalist book. But it remains true that many in the *Government of the day must*, at some time, have been taught by George Lyttelton and the oral tradition which he hands on. These letters catch its nuances far better than many of its outside critics.

Cricket and belles-lettres bring out the best in *them*. True, *Jim* Laker took nineteen wickets in one Test, but the saddest thing, they agree, was that he was never much good. His TV commentary would have seemed a welcome long hop to men who preferred the early Neville *Cardus to the late and replied* to a peculiar knighthood with the just proposal that Frank Woolley should be given the OM.

Admiration for the early Cardus bodes ill for the stock of F. R. Leavis. Hart-Davis *endured Balliol for two terms;* Lyttelton left Cambridge with a third. Yet books, for them, are to be appreciated, not judged. While Leavis was claiming that literature enhanced life through the moral sense and at once disproved the claim by his own crabbed outbursts, these two amateurs were twining their lives with "the good stuff," Conrad on the return of the Narcissus, Carlyle on Robespierre's end, John *Fortescue* on the Black Prince's.

As a public speaker, Lyttelton has not lost the conscious amateur's excessive fondness for bons mots. *Hart-Davis* remained genuinely devoted to a list now long unread, to coaxing and coercion of erratic and infrequent authors. If these letters are more than the giving and polite receiving of elderly *Etonian wisdom*, it is because literature, loved and deeply respected, has enhanced its two correspondents. Leavis, to them, "taught the young to sneer," though his persistent mentions are not all black. Lyttelton, on the other hand, makes one rush to hunt down his admired John *Galt, a tip passed on orally* by M. R. James.

Kerry Packer has broken up the Test teams; the TLS now kills wicked guesswork by signing its reviews; nobody even apologises for the lack of indoor staff; the Old Testament in English *has faded from literary* style. "O snow and ice, Praise ye the Lord" still seems the most comic line in the psalter, but nobody uses it for wit in a letter. Of course it would be easy to do a Leavis and jibe at it all, the Georgian taste, the *round of Lit* Soc and High Table evenings, the sense of old wisdom and Great Passages which sit heavily on lesser men. Since 1955, courses on literature have spread like mares' tails, yet the very thought that literary polish and *the ruling class are natural allies* has been uprooted. To know your Shakespeare is not to believe that statistics prove a cause is just. But these letters are a witness to the power of literature to form a common ground, to ease communication, keep ambitions down to size and leave the men at the top with a healthy sense that they, too, are all dwarfed together, *faced with* Great Passages which simply imply there is more to living than numbers and "demand."

Early Shannon

Death of a Busybody by Dell Shannon. Gollancz, £3.95. 287 pages

This Luis Mendoza novel was published in the U.S. in 1963, and for some reason had not appeared previously in Britain, though Dell Shannon's Los Angeles cop is now a great favourite also on this side of the Atlantic. Actually, this early Shannon is in many ways superior to some of the later works. *There is a tighter plot,* less extraneous police operational atmosphere. Mendoza, his wife, and some others already speak more Spanish than is necessary (*usually with instant* translation). The alert reader will be able to calculate Mendoza's age, which, while still far from Poirot's century and more, is now remarkable for a man of his unrelenting activity, domestic and professional.

WILLIAM WEAVER

ARCHITECTURE

A FINANCIAL TIMES REPORT

Engineering HQ in Slough

By H. A. N. Brockman, Architecture Correspondent

ALTHOUGH SLOUGH has been berated by the Poet Laureate, the fact remains that people and families are born and live there, work and enjoy themselves there and die there. The place had its hey-day during Queen Victoria's reign when she and her guests alighted at Slough station to be met by all the pomp and colourful panoply of Household Cavalry escorts and carriages with their outriders, to be driven to Royal Windsor.

The station itself was, and still is, an interesting example of railway architecture, designer unknown, and erected in 1882. Pevsner writes of this one-storey red brick building: "with five oddly metropolitan-looking French pavilion roofs—a big middle pavilion and two end pavilions"; not exactly an appreciation, but at least a mention.

Nearly opposite the station a new building of distinction has recently been completed as the headquarters of the CompAir engineering group. The clients stipulated that the design should reflect the engineering character of the company, although it is difficult to see how the "conventional rectangular shape," to quote the architectural description, can immediately tell anyone that this is the office headquarters of an engineering concern. Nevertheless, with its clean cast-aluminium panels with their textured surface taking the weather without disfigurement, it does much to uplift its rather dreary neighbourhood.

Precision

The precision achieved in the detailed finish at the base of the upper floors and in the cantilevered hood over the entrance gives the comfortable feeling that it could not have been done any other way. The wall panels are a Swiss product, frequently used on the Continent but apparently making their first appearance in the U.K.

The four main storeys of the building, with their diagonally cut-off corners, are supported from ground level on slender rectangular columns rising from a brick podium which takes up the slope of the foreground. The hood over the entrance stretches forward two-thirds of the way up the adjacent columns above a flight of steps in brickwork with a dark-glass wall deeply inset enclosing the entrance hall. Above the four main storeys is a bold set-back with the main roof oversailing to coincide with the outer walls of the storeys below.

The internal plan is full of surprises. Fire, building and planning regulations have restricted the usable space and this has meant that circulation space around the service core in the centre of the plan has been saved in order that it can be wisely spent elsewhere.

The principal office floor is in the fourth storey and here much has been done to present a rich environment by the use of wall panelling in figured rosewood. The directors' rooms are finished in colours and furniture which reflect individual taste. The lobby leading to these rooms is warmly carpeted and a well designed and detailed circular stair leads up to the dining area above.

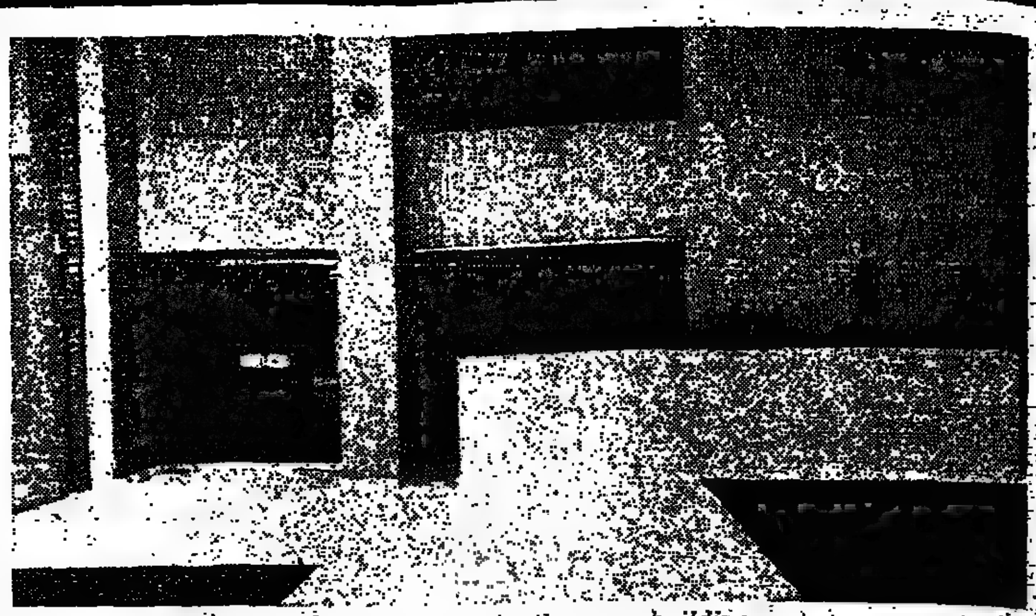
The form of the building was largely determined by the planning authority's imposition of a height restriction and the need to provide maximum usable floor space within the area allowed by the office development permit. This together with the dictates of the fire and escape provisions meant that there were severe restrictions on internal planning. A central structural service core thus emerged, containing stairs, lavatories, lifts and service ducts, with fire-break walls stretching out on each side to the perimeter of the floors, leaving minimum corridor widths for communication between one half of the building and the other.

This at least allowed the floors to be served by only one lift and one staircase. As the service core is load-bearing, providing a strong cellular column through the centre, the reinforced concrete "waffle" slab floors were able to give a clear span to the peripheral columns without intermediate support.

The Western Region railway, with its high speed trains, runs very close to the building; sound insulation was therefore of great importance. Heat insulation was another closely related problem. The outer wall of cast aluminium panels is backed up by an inner cavity wall of insulating blockwork with a sandwiched polythene vapour barrier. External glazing comprises fixed sun-shield glass mounted into the panels; inner glazing can be opened for cleaning purposes.

False ceilings throughout the building provide horizontal space for overhead airducting, the building being air-conditioned throughout with a variable air volume system maintaining a strict temperature and humidity control, fresh air intake and exhausted air being handled at roof level. Car parking space is provided underground and on the basement roof.

There are limited opportunities for landscaping on this restricted site, but paved areas, flower boxes and a small grassed area are to be provided. The whole development presents a comely and decently proportioned building which exerts a helpful influence on others yet to come in the area.



The entrance to the new building.

DESIGN AND CONSTRUCTION

Designers:	The Chief Architect, Projects Practice of the P.E. Consulting Group in collaboration with the Group Services Engineer
Main Contractor:	Bovis Construction

Leader in air compressors

By David Wright

COMPAIR IS one of the few major success stories to come out of the now defunct Industrial Reorganisation Corporation. Since the group was born out of a marriage some 10 years ago between two British manufacturers of air compressors, Broom and Wade and Holman Brothers, it has built up a sound growth image bolstered by a series of astute acquisitions.

When the IRC sponsored the merger both companies appeared to be ex-growth and indeed Holman Brothers has just incurred a first half year loss.

By 1968 both companies were suffering from fierce international competition particularly from the American giants. From peak profits of £1.2m in 1965 Holman steadily to its loss-making position while Broom and Wade had been fixed on an earnings plateau for the previous three years.

Holman had geared up for higher orders in the home market which did not materialise while its overseas activities (over 70 per cent of sales at that time) were suffering from the U.S. onslaught. The net result was that stocks shot up and despite a funding arrangement that brought in just over £1m (through an issue of Convertible debenture stock) borrowings were uncomfortably high.

The story was more or less the same at Broom and Wade but while the impact on earnings was less severe it was noticeable that the overseas side had turned in a reduced contribution.

Since both companies were competing for overseas orders against giants like Atlas Copco and Ingersoll Rand a merger between the two made industrial logic. It gave a group with a wider geographical and industrial spread while at the same time significantly strengthening Britain's compressed air industry.

Headache

Fixing the terms of the merger must have caused the IRC some headache since both had sales of around £12m. As it turned out Holman shareholders were offered seven B and W shares for every six shares held and this meant that that Holman ended up with 21½ per cent of the enlarged equity.

Despite the basically complementary range of products the integration of the two companies was not without its problems. Holman's strength lay in rock drills and other percussion tools for the mining industry while Broom and Wade was strong in portable and industrial compressors. Moreover, Holman had started making rotary portable compressors which had a definite advantage over the sliding vane and reciprocating methods employed by B and W. If the rationalisation were to be pushed through too fast there was always the problem of labour unrest and the loss of market share. As a result the merger took far longer than anticipated.

Once over these teething problems the new group—retitled International Compressed Air—set about consolidating its position worldwide. The first acquisition came in 1969 when Reavell was bought from James Howden for £1½m. Reavell, based in Ipswich, manufactured industrial compressors, so besides improving ICA's product base the acquisition brought in extra manufacturing capacity.

But CompAir was still fairly weak in the major U.S. market which accounted for almost 50 per cent. of world compressed air sales. After some groundwork, CompAir moved directly into the market through the purchase of Kellogg-American, an established supplier with some 300 distributors. The deal, involving around £3.75m, was financed by way of a dollar loan.

Competitor

The next major deal took place in May 1972 when Hydrovane was purchased for a consideration of £1.62m, satisfied by the issue of shares. Hydrovane was a subsidiary of Chloride and was a direct competitor in both portable and industrial compressors, where it was apparently more advanced at the lighter end.

Thereafter CompAir moved into France via a stake in Compresseurs Bernard, in a deal which involved shares worth £283,000.

After this sort of acquisitional growth CompAir needed time to digest. No attempts at further acquisitions were made over the next three years. Over this period the overseas content of the group's business grew considerably and even the three-day week in Britain in 1974 failed to check the growth.

But the expansion had taken its toll on the group's finances and in July 1975 CompAir made a £3.7m rights issue to reduce borrowings, which at that stage had grown to about 65 per cent of shareholders' funds.

By now CompAir was the market leader in Britain in all but one area, hand-held tools. This area was dominated by Desoutter, which it was estimated took about half the market. Since it was always CompAir's policy to take a direct investment in an area, a bid was made in 1976.

Here CompAir was to meet its first major setback. Its opening bid put a value of £6.47m on Desoutter but since the latter's directors held over 53 per cent of the equity the chances of success did seem limited. Then CompAir changed its tactics. The bid was increased to £7.7m and minority shareholders were given two weeks in which to persuade the board to accept. Some 73 per cent of the minority holders gave their support to the bid but eventually the Desoutter board won the day and CompAir had to withdraw its offer.

With its plans to make a quick entry into hand-held tools frustrated, CompAir had to reorganise its own operations in this area.

Thereafter CompAir was anxious to broaden its product base in the U.S. since this area offered relative safety and stability for a sizeable capital investment. To finance this intended move into the U.S., CompAir issued $10m of convertible bonds in April 1977.

Just under a year later the major investment was announced. For a sum of $15m (£7.7m) CompAir purchased the Power Fluid Division of Watts Regulator, a private company based in Massachusetts. This division was the second largest supplier of air filters, regulators, lubricators and associated equipment in the U.S., handling about 20 per cent of the market.

This major development in the North American market should not only bolster the product range but also keep CompAir on the strong growth tack. Profits for the group last year jumped 30 per cent. to £12.22m. The U.S. market appears to offer the best short-term growth potential.

While the company seems to be faced with a difficult year — there has been little improvement in trading conditions in most of its important markets — the City remains confident that CompAir can continue to produce the goods.

FARMING AND RAW MATERIALS

Wave of buying boosts London coffee prices

BY RICHARD MOONEY

COFFEE PRICES on the London futures market rose strongly yesterday afternoon as speculators who had taken their profits following the recent frost scare began to re-invest their gains.

September coffee, which fell £185 on Tuesday registered further losses during the morning, slipping to £1,701 a tonne at one stage. But the renewed buying pushed the price up to £1,835 a tonne during the afternoon. By the close, September coffee had slipped back to £1,794.5 a tonne up £27.5 on the day.

Prospects of a serious Brazilian coffee-area frost have continued to recede but the market remains nervous. The Federal Government weather office issued another frost warning, covering high ground in southern Brazil, on Tuesday night, but local sources said frost was very unlikely in the coffee-areas.

The forecast for Parana, the main coffee State, is for fine weather with light cloud, early mist and slightly higher temperatures. The worst of the cold weather seems to have passed for the moment, locals said.

In Brasilia meanwhile, Sr. Angelo Calmon de Sa, Industry and Commerce Minister, said because of an increase in coffee exports due to the recent frosts in the south of the country, Brazil will earn "a little more than $1bn" in coffee revenues in the first half of 1979.

But the first half's coffee exports would not equal those of 1977 and total exports for the year would be "somewhat below" the $2.7bn Brazil earned in 1977.

In the first five months of 1978 coffee exports totalled 3.912m bags (60 kilos each), valued at $791m, compared with 7.249m bags valued at $1.792bn in the same period last year. The first six months of 1977 were unusually profitable for coffee exporters here because of a jump in world prices, caused by the July 1975 frost.

Sr. Calmon de Sa said this year's frosts, which occurred in the State of Parana, which is expected to produce 30 per cent of this year's harvest, were not serious. He said they would not affect this year's crop now being harvested.

The official estimate by the Brazilian Coffee Institute (IBC) for the current harvest will be below the estimate of 19.2m bags made last month by the U.S. Department of Agriculture, he said. The IBC estimate is expected this week.

Copper deliveries halted

By Our Commodities Staff

EUROPEAN CUSTOMERS of Asarco, the big U.S. metal producer, will not be receiving deliveries of copper cathodes from the company's Ilo, Peru, operation during June.

Asarco confirmed yesterday that it declared force majeure on cathode deliveries on May 1 because it has not been receiving its usual supplies from Minero Peru's Ilo refinery.

This news boosted prices on the London Metal Exchange briefly. Copper rose by £10 a tonne at one stage but as dealers digested the news aggressive profit-taking developed, pushing the price down again in late trading. At the close cash wirebars were quoted at £757 a tonne, down £2 on the day.

In New York meanwhile Amax confirmed trade reports that it had declared a full force majeure on lead shipments from June 1, following a strike at its Boss, Missouri, refinery. Nearly 600 workers at the Boss complex went on strike on May 31.

● Stocks held by U.S. copper fabricators rose in April as consumption fell, the American Bureau of Metal Statistics said. Total stocks at the end of April stood at 482,300 short tons against 472,200 at the end of March. Consumption in April was 180,600 short tons, 4,200 less than in March.

Inco Metals yesterday said it was immediately raising Canadian copper prices by 2½ cents a lb to 75.625 cents.

Sale of prime land may yield £5m

BY CHRISTOPHER PARKES

MORE THAN 3,500 acres of prime vacant possession farm land in Lincolnshire came up for sale yesterday. Agents Savills expect at least £5m from the sale.

Formerly farmed by one of Britain's biggest private farmers, Mr. Frank Arden—who is reputed to have around 20,000 acres in hand—the 3,544 acres on the Lincolnshire - South Humberside border are to be sold by tender as a whole or split into eight lots. The size of the lots ranges from 130 to 1,030 acres.

Most of the land, situated in the Isle of Axholme, is rated grade two on the Ministry of Agriculture's scale. Most of the soil is black peat well suited to potato, sugar beet, carrots and other vegetable crops.

The land is now owned by the UK Provident, one of the City institutions whose place in the agricultural land market has recently come under the scrutiny of the Northfield Committee. The committee is expected to report to the Ministry of Agriculture soon.

UK Provident is selling and not re-letting at the end of the Arden tenancy because it wants to take advantage of the current high prices for vacant possession land. It is prepared to invest the earnings from the sale in more tenanted land.

Takeover of other farms has already been arranged, a spokesman said yesterday.

Considerable interest has already been shown by local farmers, although other City institutions are bound to be attracted.

Competition for the land will probably be unusually keen. Sales on such a scale are rare in that part of the country, and there are plenty of local "land hungry" men with funds from two recent profitable growing seasons to spend.

Farmers eager to extend their holdings are reputed to pay uneconomic prices, particularly for small lots. At a recent sale in Lancashire, for example, ten to 20-acre plots were sold for around £4,000 an acre.

According to the Ministry of Agriculture, the present average price for land in England is £1,163 an acre, 15 per cent more than at the turn of the year and 42 per cent more than a year ago.

U.S. AGRICULTURE
Farm co-ops outgrow their founders

BY DAVID RICHARDSON, RECENTLY IN THE U.S.

THREE-QUARTERS of America's 4m farmers are members of agricultural co-operatives, according to the National Council of Farmer Co-operatives in Washing DC.

The council claims that 28 per cent of U.S. farm production is sold through co-ops and 19 per cent of farm supplies purchased from them. Added together, co-operatives' gross annual turnover comes to over $25bn, nearly £14bn at present exchange rates. For comparison in Britain total farm co-op turnover has recently been estimated at about £1bn.

Main key to the successful marketing penetration of U.S. co-operatives is that American farmers have always had to live with a free market and the violent fluctuations of world trade.

They have never enjoyed protection that has insulated British farmers from the most serious effects of variation in supply and demand.

American farmers have therefore, felt it prudent to group together in search of marketing strength. It is highly significant that more than one third of U.S. grain—the majority of which is exported—is handled by co-ops. The quantities of grain handled by co-operatives are growing as prices drop and markets become more difficult.

Growth to present levels in the supply business has been speeded up in recent years as the co-ops gained access to basic raw materials. Between them the 130 or so regional co-operatives, to which nearly 8,000 local co-ops are affiliated, now have a sizeable stake in the oil business.

They own oil wells and refineries this side of the Atlantic as well as in America. Together with interests in potash and other mines this has enabled them to become basic manufacturers of fertilisers and chemicals. Co-operatives claim to own and operate 40 per cent. of fertiliser manufacturing capacity in the U.S.

Finance for these mammoth organisations—the Kansas-based Farmland Co-op has an annual turnover in excess of $3bn—usually comes from three main sources.

One-third of the capital requirement is borrowed from banks, one-third is raised by selling non-voting shares at fixed rates of interest to anyone wishing to invest and a further one third consists of retained profits which are the property of farmer members.

American law stipulates that at least 20 per cent of any profit shall be returned to co-op members in cash each year. The remaining 80 per cent can, if the members through the board of directors agree, be left as loan capital to fund the co-op. The farmer member meanwhile pays tax on the whole 100 per cent of the profit attributed to him even though this may well be greater than the 20 per cent he has received in cash.

This in effect allows co-ops making sizeable profits to reduce their taxable income to almost nothing and predictably, is said by the private trade to give co-ops an unfair advantage.

Nevertheless it has provided the financial springboard for U.S. co-ops to reach their present strong position.

But few co-ops claim to sell farm supplies at lower prices than the private trade. Market prices, ruled as they must be by supply and demand, can be only marginally affected by co-operative activity. On the face of it, therefore, U.S farmers are allowing a lot of their capital to be locked up in co-ops for little commercial advantage.

It is argued by some co-op managers that since a member's loan capital (which incidentally remains at face value and does not earn interest) is always repaid on his death, it takes the place of life insurance.

One co-op does, however, say it will try to repay a member before his death and at the moment is doing so when he is 81 years old. Another is attempting to develop a revolving fund with the ultimate aim of repaying loan capital on a 10 to 12-year cycle.

It is also claimed that in times of supply shortage, as with fertilisers a few years ago, co-ops guarantee priority delivery to their farmer members instead of selling to more lucrative export markets — the policy often adopted by the private trade.

But farm co-operation is such big business in the U.S now that there is a distinct possibility that it will continue to grow and diversify of its own momentum without necessarily benefiting the farmers for whom and by whom it was created.

Exports hit sugar

BY OUR COMMODITIES STAFF

THE REGULAR EEC sugar export tender which restarted yesterday after last week's cancellation depressed prices on the London futures market. The Commission's sugar management committee cleared the export of 45,000 tonnes of whites with a maximum subsidy of 25.191 units of account per 100 kg.

Almost 51,000 tonnes were cleared last time with the same rebate.

A lower opening in New York also helped depress prices. October sugar at one time slipped to about £105 a tonne.

It closed about £2 lower on the day at £106.725 a tonne. Earlier the London daily price for raws had been cut £2 to £102 a tonne.

Traders reported that Greece had rejected first bids made in its selling tender for two cargoes of whites. Best offer was $203.15 a tonne, they said.

Reuter reports that Brazil's exports of sugar in the first five months of the year were 783,000 tonnes, against 558,000 tonnes in the same period of 1977.

The Brazilian Sugar and Alcohol Institute has authorised production of 120m bags of sugar of 60 kg each for the 1978-79 crop, compared with 135m bags authorised last season.

The official Chinese news agency claims sugar output in the People's Republic last season rose 14.4 per cent to an all-time high.

In London the British Sugar Corporation said warm weather and rain were providing ideal growing conditions. Nearly all the record 209,000 hectares contracted this year are said to be sown with beet.

The Belgian sugar industry also reports rapid growth in the beet fields following a slow start in the cold springtime spells.

Bigger almond crop forecast

By Our Commodities Staff

WORLD ALMOND output this year is expected to reach a near-record level, according to London merchants Gill and Duffus.

The company's latest estimate puts the 1978 crop at 231,500 tonnes, only 3,500 tonnes below 1976's all-time peak, and 10,000 tonnes above 1977 production.

Expected increases in Spain, Iran and Portugal are mainly responsible for the estimated increase. With new trees coming into production, Spain's potential crop has been raised to 70,000 tonnes. Cold weather, wind and rain have trimmed the estimate back to 55,000 tonnes but this would still be well above 1977's 32,000 tonnes although below 1976's 60,000 tonne crop.

Portugal's crop is expected to recover from last year's extraordinarily low 1,000 tonnes to a more normal 4,000 tonnes while the Iranian crop is forecast to rise by 5,000 tonnes to 12,000 tonnes.

French may 'steal' grain markets from UK farmers

BY OUR COMMODITIES STAFF

BRITISH FARMERS were warned yesterday to beware of French salesmen who might steal UK grain markets from them. Mr. Richard Butler, deputy president of the National Farmers' Union said he had been impressed by the way French farmers worked together.

"This is particularly true when it comes to marketing," he told a farmers' conference in Norfolk. "Even down to little groups of three or four small farmers.

"If there are parts of the grain market to be exploited we must not let them cramp our style," he added.

Mr. Butler said that while he could not see any prospect of a significant increase in demand for feed grains in the UK, there was a chance of better markets for malting barley and greater use of home-grown grains in place of maize in animal feed, and also in place of imported wheat in bread.

He pointed out that the Home-Grown Cereals Authority estimated demand for malting barley in 1985 at 2.5m tonnes out of a crop of 10m tonnes. This would be 1m tonnes more than in 1975.

There were also prospects in expansion of the oilseed rape crop. At present UK farmers provided only 40 per cent of domestic needs.

Mr. Butler said that once grain prices in Britain were higher than the official support buying prices UK markets became commercially attractive to French exporters.

"The large Continental grain co-operatives, strongly supported by their farmers are in a position to rob us of our markets if we let them," he said.

"They already have sophisticated grain handling facilities and they see the value of sampling, analysis and separate variety storage.

"We have got to do the same if we are to beat them in our own market."

Quality wool promotion planned

BY OUR COMMODITIES STAFF

A SPECIAL campaign to promote consumption of top quality wool is being launched by the International Wool Secretariat.

The campaign, which is aimed at stimulating demand for wools of 19.5 microns and finer, will be additional to existing secretariat promotion programmes, and will be financed by members of the Secretariat in proportion to their production of these types of wool.

There are excessive stocks of superfine and similar wools at present. Traditional markets have declined, and there has been a big swing from bespoke tailoring to ready-to-wear. Also, dry conditions in Australia in the last few seasons have led to a substantial increase in production of these wools.

U.S. consumption of apparel wools rose to 84m kilos last year, 65 per cent above the 1974 low, according to Mr. Albert Evans, U.S. Agriculture Department economist.

But consumption of carpet wools has not recovered from the 1974-75 recession, he told the International Wool Textile Organisation Conference in Munich.

The decline in this sector since 1963 was due to the rapidly accelerating use of man-made fibres, he added.

Some progress has been achieved, however, on increasing penetration of the blended textile field or areas dominated by 100 per cent. man-made fibres.

Improved profitability for domestic production has raised hopes of stabilisation of output in the next three to five years, Mr. Evans said. But this follows a long-term decline with sheep numbers falling from 40.5m in 1940 to around 12.4m last year, he added.

Mrs. J. Van Wyck, marketing director of the South African Wool Board, told the conference confidence had been restored in wool farming in South Africa, with prices during the past three years remaining reasonably satisfactory.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Marginally easier on the London Metal Exchange. The firmness on Comex overnight coupled with labour troubles in Peru prompted a steady trend in the morning with forward metal rising to £783.5. In the afternoon, however, the price drifted down to £777 on lack of interest before it lifted sharply on the kerb to touch £787 owing to heavy speculative buying following the full force majeure declaration by Asarco on shipments of Peruvian cathodes to Europe from June 1. As the market digested the news, however, aggressive profit-taking developed which forced the price back down to £779 on the late kerb. Turnover 1,836 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £762.5, three months £780, 81, 81.5, 82, 82.5. Cathodes, cash £754.5, three months £775, 74.5, 74. Kerb: Wirebars, three months £781.5, 82, 81.5, 81, 81.5, 82. Afternoon: Wirebars, three months £781, 80, 80.5, 80, 79, 78, 77.5, 77, 77.5, 78, 77.5. Kerb: Wirebars, three months £779, 79, 79.5, 79, 80, 81, 82, 83, 84, 85, 86, 87, 86.5, 86.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	762.5	+7	756.5-7.5	-2
3 months	782.5	+7.5	777.5	-2.25
Settl'm'nt	762.5	+7	—	......
Cathodes				
Cash	754.5-5	+6.75	750.1	-3.35
3 months	774.5	+6.75	770.1	-2.75
Settl'm'nt	755	+6.5	—	......
U.S. Spot	—	......	*66.5-68	......

TIN—Lower. After opening at £6,590 forward metal rose to £6,630 on the pre-market owing to continental interest. This trend was reversed in the rings with nervous bull liquidation causing the price to ease back to £6,550 by the afternoon. The backwardation narrowed to £110 reflecting the easing in the nearby supply situation. The sharp rise in copper then lifted forward standard metal to £6,580 but by the late kerb it had fallen back to close at £6,560. Turnover 2,620 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6730-5	-52.5	6680-700	-78
3 months	6605-15	-30	6685-95	-35
Settlem't	6735	-55	—	......
Standard				
Cash	6700-5	-52.5	6670-90	-70
3 months	6585-90	-57.5	6565-75	-45
Settlem't	6705	-55	—	......
Straits E.	$1705	......	—	......
New York	—	......	*556.50	-1½

Morning: Standard, cash £6,710, £6,700, three months £6,600, £6,590, 95, 90, 85, 90, 85. High Grade, cash £6,730. Kerb: Standard, three months £6,590, 85, 80, 75. Afternoon: Standard, three months £6,555, 65, 70. Kerb: Standard, three months £6,570, 60, 50.

LEAD—Easier. Forward metal traded quietly within narrow limits until the late afternoon when news of the force majeure declaration by Amax prompted speculative buying which took the price up to £330 before it eased back to close at £328 on the late kerb. Turnover 7,500 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	317-.5	-5	317-.5	-4.5
3 months	326.5-7	-5	327-8	-4.25
Sett'lm'nt	317.5	-5	—	......
U.S. Spot	—	......	31-33	......

Morning: Cash £317, three months £328, 28, 27.5, 27, 27.5, 26, 26.5, 26, 27.5, 27, 26.5. Kerb: Three months £327, 26.5. Afternoon, Cash £317, three months £325.5, 28, 27.5, 26, 26.5, 26, 26.5, 30, 29, 28, 27. Kerb: Three months £327, 26, 27, 26.5, 28, 29, 29.5, 29.

ZINC—Down in subdued trading and mainly reflecting the movements in lead and copper. Forward metal traded between £339 and £342 prior to closing at £340 on the late kerb. Turnover 5,155 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Cash	331.5-2.5	-1	331-2	-2.5
3 months	340.5-1	-1.5	340-.5	-2.75
S'ment	332.5	-1	—	......
Prim. West	—	......	29-31	......

Morning: Three months £339, 40, 41. Kerb: Three months £340.5. Afternoon: Three months £342, 41, 40.5, 40, 41, 40. Kerb: Three months £339, 40.

* Cents per pound. † On previous official close. ‡ $M per picul.

SILVER

Silver was fixed 2.6p an ounce higher for spot delivery in the London bullion market yesterday at 293.55p. U.S. cent equivalents of the fixing levels were: spot 535.3c, up 5.2c; three-month 544.6c, up 5.2c; six-month 555.3c, up 6.1c; and 12-month 577.8c, up 6.4c. The metal opened at 293.4-294.4p (534½-536c) and closed at 293.4-294.4p (535-536½c).

[illegible]

COFFEE

On a day of wild fluctuations Robustas opened £50 lower on carryover selling from Tuesday's weak close. Drexel Burnham Lambert reports. Selling exhausted at the £1,700 level basis Sept. and renewed buying pushed the market higher. At one point in a hectic afternoon session values were £98 up on the day but [illegible]

[illegible]

GRAINS

[illegible]

COCOA

[illegible]

RUBBER

STEADIER opening on the London physical market. Little interest throughout the day, closing on an easier note. Lewis and Peat reported that the Malaysian market was 223 (223) cents a kg nominal buyer June.

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

VEGETABLE OILS

[illegible]

JUTE

DUNDEE—Quiet. Prices c and f UK for Sept-Nov. shipment: BWB £267, BWC £234, BWD £245. Tossa BTB £267, BTC £235, BTD £245. Calcutta goods firm. [illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

Prices per tonne unless otherwise stated.

[illegible]

INDICES

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

[illegible]

COTTON

[illegible]

U.S. Markets

Metals and grains easy: cocoa up

NEW YORK, June 7.

COPPER closed lower on heavy trade hedge selling and aggressive commission-house liquidation despite news of Asarco's European force majeure. Precious metals eased on commission-house liquidation following renewed pressure on domestic commodity prices generally. Coffee finished at or near limit declines on speculative liquidation and better weather in Brazil, Bache reported.

[illegible]

EUROPEAN OPTIONS EXCHANGE

Option	Price	July Close	July Vol.	Oct. Close	Oct. Vol.	Jan. Close	Jan. Vol.	Equity close
ATT	$55	7⅜	—	7⅛	—	7⅞	—	$61⅞
ATT	$60	2⅜	—	3	—	3⅝	—	„
ATT	$65	[illegible]	—	[illegible]	—	1¼	—	„
Citicorp	$20	5½	—	5¾	—	6	1	$25
Citicorp	$25	1⅛	—	2	6	2⅞	—	„
E. Kodak	$40	17⅛	—	18	—	18¼	—	$56⅞
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

WORLD STOCK MARKETS

Wall St. modestly easier on profit-taking

INVESTMENT DOLLAR PREMIUM
$2.60 to £—113% (112%)
Effective $1.8230—49¼% (48¾%)

STOCKS ON Wall Street tended to pull back yesterday in what analysts termed an expected correction after the gains of the prior six sessions.

The Dow Jones Industrial Average was above the day's worst at 861.92, down 4.59, after touching 855.51. The NYSE All Common Index was finally 8 cents off at $56.11, after $55.98, while declines outnumbered gains by 801 to 726. Turnover was a substantial 33.06m shares, although well below the previous day's extremely heavy total of 51.97m.

Prices "just went up too fast and had to come down," commented Michael Metz of Oppenheimer and Co. He added, however, that the marke was "holding the gains rather well" in light of the pace of the rise.

The market's ability to limit its losses made it more likely that the buyers would come back in before long, he added.

Monte Gordon of Dreyfus and Co. said the amount of uncommitted cash still in the hands of portfolio managers made it likely that any market decline would be contained.

Analysts said recent hints that somewhat circular problem one top Administration officials are studying a possible further reduction in President Carter's tax cut proposal to about $13bn from the $19bn to $20bn range was encouraging.

Also contributing to underlying sentiment, they added, were comments by Presidential inflation counsellor Robert Strauss predicting that June inflation statistics would show improvement from recent levels, an da firm rejection of economic controls by Federal Reserve Board Chairman G. William Miller.

Investors also viewed favourably the passage of proposition 13 in California to cut property taxes, regarding this as a *further sign* of spreading fiscal conservatism.

Kaufman and Broad, the volume leader, gained 1¼ to $8. The company cited a favourable research report by a major brokerage concern.

Analysts said Californian housing and savings and loan stocks might be benefiting from the approval of a near 60 per cent rollback in property taxes statewide. Financial Federation climbed 2¾ to $34, Financial Corp. or Santa Barbara ⅞ to $28 and First Charter Financial ⅞ to $17⅞.

Pet gained ⅞ to $54¼ in active trading. IC Industries is to proceed with a tender offer for Pet shares at $54 each unless Pet and Hardee's Food System shareholders approve their proposed merger. IC was unchanged at $26 but Hardee's lost ¼ to $16⅞.

Inspiration Consolidated jumped 7¼ to $33⅛—it is not opposing plans by Canada's Hudson Bay Mining and Bermuda's Minerals and Resuorces Corporation to buy the remaining Inspiration shares they do not already own at $33 each.

Xerox added ⅞ to $54½—the jury considering anti-trust charges by SCM against Xerox rejected part of SCM's market monopoly contions. SCM lost 1⅞ to $15⅝.

THE AMERICAN SE Market Value Index managed a fresh rise of 0.44 to 147.59 in heavy volume of 4.55m shares (5.92m), although losses on the exchange exceeded gains by 330 to 318.

Canada

Mied movements occurred in active trading as stocks failed to maintain the general upward momentum of recent sessions. The Toronto Composite Index shed 0.6 to 1,143.4, while Metals and Minerals retreated 13.7 to 992.4 and Utilities 0.51 to 175.28, but Banks rose 1.71 to 261.60 and Golds, after recent weakness on the lower Bullion price, rallied 3.6 to 1359.6.

Tokyo

Share prices closed on a mixed note after moderate trading in the absence of any fresh stimulating news. The Nikkei-Dow Jones Average was a marginal 0.63 up on the day at 5,490.43, while volume came to 300m shares (290m).

While speculative issues were bought selectively, Pharmaceuticals and Electrical Machines, which advanced earlier this week, retreated on profit-taking.

Sanko Steamship rose Y10 to Y250, taking other Shippings up with it. Teikoku Oil advanced afresh by Y8 to Y123, but was well below the day's best of Y440. "The gamblers are playing with it," one broker commented.

Toyo Kogyo rose Y9 to Y460 and Kyowa Fermentation Y8 to Y426, but Sony came back Y40 to Y1,780, TDK Electronic Y20 to Y2,010, Toyota Motor Y7 to Y988 and Matsushita Electric Industrial Y4 to Y716.

Some Constructions related to Government public works spending also eased.

Paris

Bourse prices were inclined to improve afresh in active trading, encouraged by the half-point fall in day-to-day money and the Cabinet's approval of a draft law widening the scope of investment funds.

Banks and Electricals were mixed, but other sectors of the market were higher, with Bouygues, Lafarge, Printemps, Air Liquid, Michelin, and Aquitaine showing the most conspicuous advances.

However, Pernot-Ricard receded 2.8 to FFr 269.2 and Radio Technique 8.8 to FFr 443.2.

Germany

Market plotted a firmer course yesterday.

AEG led Electricals higher with a DM 2.90 rise, while Motors had Daimler DM 2.70 up and BMW DM 2.20 stronger. Kaufhof put on DM 1 in Stores, while elsewhere, Klockner added DM 2.80 and Metallgeselschaft DM 9.

Bonds were weak, with Public Authority issues losing up to 50 pfennigs despite DM 20.3m nominal purchases of stock by the Bundesbank. Mark Foreign Loans were mixed.

Hong Kong

Market made further headway in very active trading, with Blue Chips encountering strong local demand again. In its seventh successive advance, the Hang seng index ended 3.50 points higher at 494.22 after the market had absorbed light profit-taking at mid-session. Further light Overseas buying of leading shares was also noted.

Among the leaders, Hong Kong Bank, HK$16.20, Hong Kong Land, HK$8.20, and Jardine Matheson, HK$13.90, advanced 20 cents apiece, while Swire Pacific rose 15 cents to HK$6.60, Hutchison Whampoa 12.5 cents to HK$4.975 and Wheelock Marden 2.5 cents to HK$2.60.

Elsewhere, Hong Kong Wharf, the most active issue, moved ahead HK$1 to HK$21.40, while Hong Kong Hotels improved 20 cents to HK$15.20 and Hong Kong Electric 5 cents to HK$5.00.

Australia

Mining issues were subjected to fresh profit-taking and lost more of the recently gained ground, while Industrials, showing little reaction to the 1.3 per cent quarterly wage increase awarded yesterday, again recorded irregular movements.

CRA fell 10 cents to A$2.40, MIM 6 cents to A$2.23, Bougainville 8 cents to A$1.30, Spargos Exploration 5 cents to 28 cents, Pancontinental 20 cents to A$14.50 Queensland Mines 15 cents to A$2.40 and Northern Mining 20 cents to A$1.15. However, Coal and Allied put on 5 cents to A$3.70 and Hamersley 3 cents to A$2.38.

In Retailers, David Jones closed 3 cents up at A$1.38, after A$1.40, benefiting from a broker's report that the market price was well below net asset backing. The company has also been the subject of continuing take-over rumours.

The Herald and Weekly Times publishing group hardened 2 cents to A$2.32 in response to increased profits.

Johannesburg

Golds took a turn for the better, reflecting higher-than-expected Anglo Vaal group dividends and a stronger bullion market. Harties rose R1.80 to R23.50.

Mining Financials, however, were little changed in quiet dealings.

Asbestos issues gained ground ahead of dividends, with Gecn adding 5 cents at R3.65 and Msauli 17 cents at R2.12.

The Copper market was mixed, reflecting varying reaction to the Zairean and Peruvian supply situations.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Kaufman & Broad	292,700	8	+1¼
Duke Power	276,300	19⅞	+⅛
ICN Pharmaceutic'ls	272,800	6⅛	−⅛
Pet	258,300	54⅞	+⅞
Carolina Power & Lt	227,800	22⅞	+⅛
Gibraltar Fn. Calif.	200,200	17⅛	+⅛
Sears Roebuck	196,000	24⅛	−⅛
Jewel Companies	190,700	20⅛	−⅛
Mattel	177,000	11⅞	+⅛
General Motors	170,500	62⅛	−⅛

NEW YORK

Stock	June 7	June 6
Abbott Labs	35½	35¼
Addressograph	24¼	24⅝
Aetna Life & Cas	43⅝	43⅛
Air Products	29⅝	29⅝
Alcan	50	50
Alcoa Aluminium	29⅝	29½
Alcon	44⅝	46½
Alleg. Ludlum	18¾	18¾
Corning Glass	59½	68⅞
CPC Int'n'tional	51⅜	51⅜
Crane	30¼	30¼
Crocker Nat	27⅝	27⅞
Crown Zellerbach	33¼	33½
Cummins Engine	42¼	41⅛
Curtiss Wright	17½	17⅝
Dana	28⅝	28⅝
Dart Industries	45	45¾
Deere	31⅝	31⅞
Johns Manville	30⅝	31¼
Johnson Johnson	81⅞	81⅛
Johnson Controls	29½	29⅝
Joy Manufactur'g	34⅛	35
K. Mart Corp	25⅛	25⅝
Kaiser Alumini'm	33⅜	33⅞
Kaiser Industries	2⅛	2
Kaiser Steel	23⅝	23⅝
Kay	13½	13⅝
Kennecott	23⅞	24⅝
Kerr McGee	48⅝	48⅞
Revlon	49¼	49¼
Reynolds Metals	32½	32⅞
Reynolds R. J.	59½	59½
Rich'son Merrell	25⅝	26
Rockwell Inter	33	33¼
Rohm & Haas	35⅝	36⅛
Royal Dutch	57⅛	57
RTE	16⅛	18⅝
Russ Togs	12⅝	12⅝
Ryder System	22⅝	22⅞
Woolworth	19⅞	20⅛
Wyly	4⅝	4⅝
Xerox	54½	53⅝
Zapata	15	15⅛
Zenith Radio	16⅛	16½
U.S. Treas 4% 1980	†94	†94
U.S. Treas 4¼% 75/85	80	†80⅝
U.S. 90 Day bills	6.63%	6.60%

† Bid. ‡ Asked § Traded ‖ New stock

CANADA

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated, yields based on net dividends plus tax. ▼ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ◊ Frs.500 denom. and Bearer shares unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross. div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. △ Interim since increased.

Indices

NEW YORK—DOW JONES

	June 7	June 6	June 5	June 2	June 1	May 31	1978 High	1978 Low	Since compilat'n High	Since compilat'n Low
Industrial	861.92	866.51	863.83	847.54	840.70	840.67	866.51 (6/6)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bn'ds*	87.93	87.91	85.06	87.98	87.96	88.07	90.86 (4/1)	85.86 (6/5)	—	—
Transport	231.50	231.65	228.56	226.04	224.58	225.95	231.65 (6/6)	199.31 (9/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	106.94	106.66	106.39	106.09	105.75	105.31	110.98 (3/1)	102.84 [illegible]	165.32 [illegible]	10.58 (28/4/42)
Trading vol. 000's †	33,060	51,970	39,560	31,680	29,750	29,060	—	—	—	—

*Basis of index changed from August 24

	June 2	May 26	May 19	Year ago (approx.)
Ind. div. yield %	5.50	5.59	5.48	4.81

STANDARD AND POORS

	June 7	June 6	June 5	June 2	June 1	May 31	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
‡Industrials	110.75	110.88	110.85	108.48	107.80	107.51	110.88 (6/6)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	100.12	100.32	99.95	98.14	97.65	97.24	100.32 (6/6)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	May 31	May 17	May 10	Year ago (approx.)
Ind. div. yield %	5.01	4.85	5.04	4.51
Ind. P/E Ratio	9.29	9.53	9.16	10.01
Long Govt. Bond yield	8.51	8.42	8.43	7.67

N.Y.S.E. ALL COMMON

June 7	June 6	June 5	June 2	1978 High	1978 Low
56.11	56.19	55.97	55.02	56.19 (6/6)	48.37 (6/3)

Rises and Falls

	June 7	June 6	June 5
Issues traded	1,924	1,939	1,914
Rises	726	1,003	1,117
Falls	801	572	438
Unchanged	397	364	359
New Highs	99	270	174
New Lows	36	35	42

MONTREAL

	June 7	June 6	June 5	June 2	1978 High	1978 Low
Industrial	193.53	193.64	192.67	191.55	193.64 (6/6)	162.90 (13/2)
Combined	193.44	193.40	192.35	190.99	193.44 (7/6)	176.32 (30/1)

TORONTO Composite

JOHANNESBURG Gold, Industrial

GERMANY ◆

AMSTERDAM

COPENHAGEN ♣

VIENNA

TOKYO ¶

Source Nikko Securities, Tokyo

BRUSSELS/LUXEMBOURG

SWITZERLAND ◊

MILAN

AUSTRALIA

PARIS

STOCKHOLM

OSLO

BRAZIL

JOHANNESBURG

MINES

INDUSTRIALS

Securities Rand U.S.$0.73 (Discount of 36.5%)

SPAIN ▼

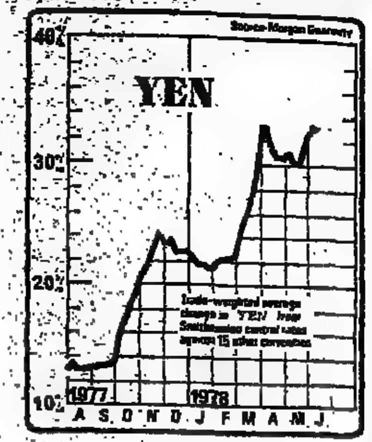
TUESDAY'S ACTIVE STOCKS

Currency, Money and Gold Markets

Pound steady

Sterling showed little change in yesterday's foreign exchange market and traded within a narrow range of $1.8200-1.8250 in terms of the U.S. dollar. Trading continued to be very subdued with only a very light volume of business. Opening at $1.8225-1.8235, the pound showed little movement and finished 10 points easier compared with Tuesday's close at $1.8225-1.8235. Using Bank of England figures, its trade weighted index drifted slightly to 61.2, a level held at all three of the day's calculations, against 61.3 previously.

There may have been some support by the authorities but in the very quiet conditions this was difficult to detect. Forward sterling showed a slightly weaker tendency with the three-month discount against the dollar widening to 1.63c from 1.47c while the 12-month slipped to 8.35c against 8.10c.



Despite the fact that Tuesday's announcement of a 1.4 per cent rise in eligible liabilities was less than had been feared, there was a general feeling that UK money supply figures, due a week today would give a much clearer picture of the monetary situation. Consequently there seems to be little desire to alter positions radically at the moment.

The U.S. dollar remained steady with little in the way of fresh news to stimulate any movement. At noon in New York, Morgan Guaranty's calculation of the dollar's trade weighted average depreciation showed a slight narrowing to 5.3 per cent from 5.4 per cent on Tuesday. The U.S. currency lost ground to the Swiss franc, closing at SwFr 1.9075 from SwFr 1.9135 while the West German mark eased marginally to DM 2.0885 against DM 2.0880. There seemed to be a general uncertainty in the market as to the direction of the dollar in the near future, notably against the stronger currencies such as the Swiss franc and the D-mark.

Tokyo: Once again the U.S. dollar improved slightly against the Japanese yen despite growing concern that renewed pressure may appear on the dollar later this month. The U.S. currency opened at Y220.1 and with Japanese banks buying dollars to cover short positions, a high of Y221.95 was reached before closing at Y221.25 against Y220.77½ on Tuesday. Uncertainty surrounding the Bonn summit meeting of major industrial nations and a pending OECD meeting left the market generally nervous. Market volume was again fairly heavy at $502m in spot turnover and $626m in combined forward and swap trades.

Frankfurt: The U.S. dollar fluctuated widely for the second day in moderate but nervous trading. The U.S. currency stood at DM2.0893 near the close, below its fixing of DM2.0906 and its early New York level of DM2.0907.

Paris: There seemed to be a slightly easier tendency in the U.S. dollar in relation to the French franc mainly owing to the former's renewed weakness against the Swiss franc. Some of yesterday's dollar movement may have been attributable to an exaggerated appreciation earlier in the week. At the close the dollar had eased to FFr 4.6075 from FFr 4.6107½ in the morning and FFr 4.6162½ on Tuesday. Against the French unit, the Swiss franc rose to FFr 2.4090 from FFr2.3940 previously.

Following recent Press and radio reports that the Moroccan dirham has been devalued, the Moroccan Embassy has made it clear that this information is incorrect and that the dirham has not been devalued.

A preferential rate for the dirham has been established, placing it at par with the French franc solely for remittances from Moroccan workers in France. This arrangement does not apply to any other commercial transaction or to foreign exchange rates for tourists visiting Morocco.

THE POUND SPOT / FORWARD AGAINST £

June 7	Bank rate %	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S. $	7	1.8200-1.8250	1.8225-1.8235	0.57-0.47c. pm	3.43	1.80-1.58 c. pm	3.58
Canadian $	8½	2.0385-2.0445	2.0430-2.0440	0.55-0.45 c. pm	2.93	1.70-1.60 c. pm	3.22
Guilder	4	4.06½-4.09	4.07½-4.08½	2½-1½ c. pm	5.88	7⅛-6⅛ c. pm	6.74
Belgian Fr.	6½	59.40-59.70	59.50-59.60	30-20 c. pm	5.05	90-80 c. pm	5.71
Danish Kr.	9	10.26-10.32	10.30-10.31	2-4 ore dis	−3.49	7-9 ore dis	−3.10
D-Mark	3	3.78½-3.82½	3.80½-3.81½	2⅞-1⅞ pf pm	7.48	8¼-7⅛ pf pm	8.26
Port. Esc.	18	83.00-84.00	83.25-83.75	25-185 c. dis	−15.09	100-500 c. dis	−14.37
Span. Pes.	8	145.50-145.90	145.55-145.65	35-115 dis	−6.19	160-260 c. dis	−5.23
Lira	11½	1,569-1,572	1,569½-1,570½	par-3 lire dis	−1.14	2-6 lire dis	−0.89
Nrwgn. Kr.	7	9.83½-9.86½	9.86½-9.87½	1½-3½ ore dis	−3.83	3-5 ore dis	−1.62
French Fr.	9½	8.38-8.41½	8.38½-8.39½	1 c. pm-par	0.83	3¼-2¼ c. pm	1.31
Swedish Kr.	7	8.43½-8.46½	8.44½-8.45½	1¼ ore pm-2 ore dis	0.71	6½-5¼ ore pm	2.81
Yen	3½	400-410	402-404	—	—	—	—
Austria Sch.	5½	27.30-27.45	27.35-27.43	15-5 gro pm	3.50	32-22 gro pm	3.94
Swiss Fr.	1	3.47-3.50½	3.47½-3.48½	5¼-2¼ c. pm	9.48	9⅛-8⅛ c. pm	9.51

Belgian rate is for convertible francs. Financial francs 59.60-59.50.

Six-month forward dollar 3.18-3.28c pm. 12-month 8.30-8.40c pm.

THE DOLLAR-SPOT / FORWARD AGAINST $

June 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
Canadian $*	89.29-89.36	89.33-89.36	0.05-0.03c dis	−0.52	0.09-0.06c dis	−0.32
Guilder	2.2333-2.2388	2.2378-2.2388	0.55-0.50c pm	2.72	1.87-1.82c pm	3.15
Belgian Fr	32.64½-32.69½	32.68-32.69½	6.5-5.5c pm	2.16	21-19.5c pm	2.41
Danish Kr	5.6375-5.6495	5.6480-5.6495	—		—	
D-Mark	2.0865-2.0910	2.0900-2.0910	0.71-0.66c pm	3.80	2.42-2.37c pm	4.39
Port. Es	—	45.75-46.00	—		—	
Lira	861.53-862.80	861.55-861.75	3.05-3.35 lire dis	−4.20	9.25-10 lire dis	−4.16
Nrwgn. Kr	5.3975-5.4175	5.4165-5.4175	—		—	
French Fr	4.6050-4.6100	4.6050-4.6070	0.90-1.00c dis	−2.51	2.40-2.60c dis	−2.11
Swedish Kr	4.6350-4.6400	4.6365-4.6375	—		—	
Yen	220.70-221.30	220.70-220.85	10.3-9.3y pm	5.34	28-27.5y pm	4.97
Austria Sch	—	14.995-15.005	—		—	
Swiss Fr	1.9070-1.9175	1.9127-1.9137	1.02-0.97c pm	6.02	3.17-3.12c pm	6.28

* U.S. cents per Canadian $.

CURRENCY RATES

	Special Drawing Rights June 7	European Unit of Account June 7
Sterling	0.671368	0.674710
U.S. dollar	1.22377	1.22997
Canadian	1.37234	1.37881
Austria sch	18.3902	18.4735
Belgian franc	39.9867	40.1891
Danish krone	6.92470	6.95799
Deutsche m'k	2.55841	2.57047
Dutch guilder	2.73757	2.75173
French franc	5.64127	5.66885
Italian lira	1054.58	1059.76
Japanese yen	270.453	271.732
Norway krone	6.63406	6.66100
Spain peseta	97.8013	98.2579
Swedish krone	5.67521	5.70301
Swiss franc	2.33716	2.34756

CURRENCY MOVEMENTS

June 7	Bank of England Index	Morgan Guaranty changes %
Sterling	61.21	−42.8
U.S. dollar	89.44	− 5.3
Canadian dollar	85.80	−12.3
Austrian schilling	141.33	+19.4
Belgian franc	111.36	+13.0
Danish krone	115.92	+ 6.7
Deutsche Mark	141.52	+36.3
Swiss franc	188.98	+73.7
Guilder	121.43	+18.9
French franc	98.56	− 4.9
Lira	56.65	−45.9
Yen	134.83	+33.1

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

	£	$		£ Notes Rate
Argentina Peso	1.422-1.426	780-782	Austria	27-28½
Australia Dollar	1.5979-1.6141	0.8795-0.8875	Belgium	59-60½
Finland Markka	7.8201-7.8259	4.2870-4.2890	Denmark	10.20-35
Brazil Cruzeiro	31.90-32.40	17.50-17.77	France	8.30-8.45
Greece Drachma	67.142-68.803	36.85-37.75	Germany	3.75-3.90
Hong Kong Dollar	8.4675-8.4925	4.6495-4.6515	Italy	1540-1600
Iran Rial	125-131	68½-71½	Japan	400-410
Kuwait Dinar (KD)	0.499-0.509	0.2737-0.2790	Netherland	4.00-4.15
Luxembourg Franc	59.50-59.60	32.66-32.68	Norway	9.80-10.00
Malaysia Dollar	4.3465-4.3695	2.3890-2.3910	Portugal	77-85
New Zealand Dollar	1.7861-1.8042	0.9818-0.9905	Spain	143-146
Saudi Arabia Riyal	6.23-6.33	3.42-3.47	Switzerland	3.40-3.55
Singapore Dollar	4.2385-4.2520	2.3275-2.3285	United States	1.81½-1.83
South African Rand	1.5699-1.5953	0.8610-0.8750	Yugoslavia	34-37

Rate given for Argentina is free rate.

EXCHANGE CROSS-RATES

June 7	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.823	3.810	403.0	8.388	3.480	4.076	1570.	2.044	59.55
U.S. Dollar	0.549	1.	2.090	221.1	4.601	1.909	2.237	861.2	1.121	32.67
Deutsche Mark	0.262	0.478	1.	105.8	2.201	0.913	1.070	412.1	0.536	15.65
Japanese Yen 1,000	2.481	4.524	9.454	1000.	20.81	8.635	10.12	3895.	5.071	147.8
French Franc 10	1.192	2.173	4.542	480.5	10.	4.149	4.861	1872.	2.436	71.00
Swiss Franc	0.287	0.524	1.095	115.8	2.410	1.	1.172	451.1	0.587	17.11
Dutch Guilder	0.245	0.447	0.934	98.84	2.057	0.853	1.	385.0	0.501	14.60
Italian Lira 1,000	0.637	1.161	2.427	256.7	5.342	2.217	2.597	1000.	1.302	37.93
Canadian Dollar	0.489	0.892	1.864	197.2	4.104	1.703	1.995	768.3	1.	29.14
Belgian Franc 100	1.679	3.061	6.398	676.7	14.08	5.844	6.847	2636.	3.432	100.

EURO-CURRENCY INTEREST RATES*

June 7	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilder	Swiss Franc	W. German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	11½-12	7-8	7½-7¾	4⅜-4⅞	½-⅝	3⅛-3¼	10⅛-10⅝	0.05-0.15	—	1-3
7 days notice	11-12	7-8	7½-7¾	4⅜-4⅞	⅜-⅝	3⅛-3¼	10¼-10½	0.15-0.75	7⅝-7¾	1½-3½
Month	10½-11	7½-7⅞	7⅝-7¾	4⅜-4⅞	1-1⅛	3⅜-3½	9⅞-10⅛	1.00-2.00	7¾-7⅞	1⅞-2½
Three months	11¼-11⅝	7 11/16-8⅛	8-8¼	4¾-5	1 1/16-1 3/16	3⅜-3½	10⅛-10⅜	5.25-6.00	7⅞-8	2¾-3⅛
Six months	11¾-12¼	8⅜-8¾	8¼-8⅜	5⅛-5⅜	1 7/16-1 9/16	3 7/16-3 9/16	10½-10¾	9.50-13.25	8⅜-8½	3¼-3 9/16
One year	12¼-12¾	8½-8⅞	8⅝-8⅞	5¼-5¾	1 13/16-2 1/16	3 11/16-3 15/16	11-11½	28.00-37.00	8 11/16-8 13/16	4-4⅜

The following nominal rates were quoted for London dollar certificates of deposit: One month 7.60-7.70 per cent: three months 7.80-7.90 per cent; six months 8.20-8.30 per cent; one year 8.45-8.55 per cent. Long-term Eurodollar deposits, two years 8 13/16-8 15/16 per cent; three years 8⅞-9 per cent; four years 8 15/16-9 1/16 per cent; five years 9-9⅛ per cent. * Rates are nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

INTERNATIONAL MONEY MARKET

New York rates firm

Interest rates were slightly firmer in places in early New York trading. The rate for 13-week Treasury bills rose to 6.62 per cent bid from 6.61 per cent, while 26-week bills were unchanged at 7.10 per cent, and one-year bills were quoted at 7.32 per cent compared with 7.31 per cent on Tuesday.

Federal funds showed little change, but were slightly firmer than early Tuesday, at 7½ per cent.

One-month certificates of deposit rose to 7.35 per cent bid from 7.30 per cent, with two-months rising to 7.43 per cent from 7.41 per cent, although three-month paper eased to 7.59 per cent from 7.65 per cent.

Bankers acceptance rates for 30 days were: 7.20 per cent; 60 days 7.30 per cent; 90 days 7.40 per cent; 120 days 7.50 per cent; 150 days 7.60 per cent; and 180 days 7.70 per cent.

High-grade commercial paper sold through dealers was: 30 days 7.35 per cent; 60 days 7.45 per cent and 90 days 7.60 per cent.

Brussels: The Banque Nationale de Belgique left official discount and Lombard rates unchanged at 5.5 per cent, following a Board meeting of the Central Bank yesterday. Rates were generally expected to be unchanged, since the rise in Treasury certificate rates on Tuesday was seen as an adjustment to existing money market conditions rather than a signal of higher interest rates.

Amsterdam: Dutch interbank money market rates were generally easier, with call money declining to 4¼-4½ per cent from 4½-4¾ per cent, while the one-month rate fell to 4½-4¾ per cent from 4¾-5 per cent. Three-month money also eased to 4¾-4⅞ per cent, from 4⅞-5 per cent, with the six-month rate falling to 5⅛-5⅜ per cent from 5¼-5½ per cent.

Tokyo: Short-term money brokers lowered call loan rates by 0.125 per cent yesterday. The cut pushed rates for unconditional money to 3.875 per cent, and that for overnight to 3.625 per cent. The short-term market is expected to have surplus funds until about the middle of the month.

Hong Kong: The money was easy with call and overnight business dealt at 5½ per cent and 5¾ per cent respectively.

Manila: 30-day maturities were quoted at 9-12½ per cent; 60-day at 9½-12½ per cent; 90-day and 120-day at 10-13 per cent. Philippine Treasury bills (90-day discount) were quoted at 11 per cent, with Central Bank certificate issues unchanged.

UK MONEY MARKET

Small assistance

Bank of England Minimum Lending Rate 9 per cent (since May 12, 1978)

Activity in the London money market continued to be at a generally low level. Initial predictions of a sizeable shortage saw overnight interbank rates harden to 8½-8¾ per cent from an opening level of 8-8½ per cent. However, with a flatter situation seeming to be more likely, rates fell away to 8-8½ per cent. After a brief flurry during the afternoon which saw a high of 8½-9 per cent, closing balances were taken between 6 per cent and 6½ per cent.

The slight overall shortage of day to day credit was alleviated by the authorities buying a small amount of Treasury bills all direct from the discount houses. The latter paid around 8¾ per cent for secured call loans at the start but rates fell away to close at 7½-8 per cent.

Banks brought forward run-down balances and there was a call on the 12 per cent Exchequer 1998 to contend with. On the other hand Government disbursements exceeded revenue transfers to the Exchequer and there was a fairly large fall in the note circulation. Although indications earlier this week pointed towards a fairly flat week short term credit now seems to be slightly shorter than anticipated and today could well see a continuation with banks bringing forward run down balances.

LONDON MONEY RATES

June 7 1978	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	6-9	—	—	—	8⅝	7¼-8¼	—	—	—
2 days notice	—	—	8⅛-8⅜	—	—	—	—	—	—	—
7 days or 7 days notice	—	8½-8⅜	8⅜-8½	—	8¾-9	8¾	7¾-8	—	—	—
One month	8 13/16-8 11/16	9-9⅛	8⅞-9	9¼-8⅞	9⅛-9½	9⅜	8⅛-8¼	8⅝-8½	8 7/16-8⅝	9⅜
Two months	9 1/16-9 3/16	9⅜-9⅛	—	9½-8⅞	9⅝-10	—	8 7/16-8½	8½-8 7/16	9 1/16-9⅛	9⅛
Three months	9¾-9½	9½-9⅜	9¼-9¼	9⅝-8⅞	10-10⅛	—	8 11/16-8⅝	8 11/16	9 1/16-9 1/16	9⅞
Six months	10 1/16-10 1/16	10 1/16-10 3/16	10-10⅛	9⅝-9¾	10 1/16-10¼	—	—	—	9⅞	10-10¼
Nine months	10½-10⅜	10⅝-10¾	—	10⅜-10	11-11	—	—	—	—	—
One year	10 9/16-10⅜	10¾-10⅞	10¼-10⅝	10½-10⅛	10⅞-11⅛	—	—	—	—	—
Two years	—	—	11	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rate nominally three years 11¾-11⅞ per cent; four years 12⅛ per cent; five years 12⅛-12⅜ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9⅛ per cent; four-month trade bills 9 15/16-9⅛ per cent.

Approximate selling rates for one-month Treasury bills 8 7/16-8½ per cent; two-month 8 9/16-8 21/32 per cent; and three-month 8 11/16 per cent. Approximate selling rate for one-month bank bills 8⅛-8 7/16 per cent; and two-month 8¾ per cent; and three-month 9⅛ per cent. One-month trade bills 9½ per cent; two-month 9¾ per cent; and also three-month 9⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 9½ per cent from June 1, 1978. Clearing Bank Deposit Rates (for small sums at seven days' notice) 6 per cent. Clearing Bank Base Rates for lending 9 per cent. Treasury Bills: Average tender rates of discount 8.7739 per cent.

GOLD

Buying interest

Conditions in the London bullion market were generally quiet and gold improved $1¾ an ounce to close at $182¾-183¼. After the morning fixing of $182.35 the metal improved slightly to $182.95 at the afternoon fixing. Much of the rise was due to speculative buying ahead of the 22nd IMF auction at which 470,000 ounces are on offer compared with the previous 525,000 ounces. The auction took place at about 2 pm New York time (7 pm in England), the results of which are consequently too late to affect trading.

	June 7	June 6
Gold Bullion (a fine ounce)		
Close	$182¾-183¼	$181-181½
Opening	$182-182½	$182-182½
Morning fixing	$182.35 (£100.050)	$181.55 (£99.545)
Afternoon fixing	$182.95 (£100.340)	$181.05 (£99.478)
Gold Coins domestically		
Krugerrand	$187½-189½ (£103-104)	$187½-189½ (£103-104)
New Sovereigns	$52¼-54¼ (£28-30)	$52½-54½ (£28½-29½)
Old Sovereigns	$56¼-57¼ (£30¾-31½)	$55½-57¼ (£30½-31½)
Gold Coins internationally		
Krugerrand	$187½-185½ (£103-104)	$188-189 (£102-103)
New Sovereigns	$52½-54½ (£29-30)	$52½-54½ (£29½-29½)
Old Sovereigns	$55½-57½ (£30½-31½)	$55½-57½ (£30½-31½)
$20 Eagles	$275½-278½	$274½-277½
$10 Eagles	$162-167	$151½-154½
$5 Eagles	$98-103	$96-98

MONEY RATES

NEW YORK

Prime Rate	8.5
Fed. Funds	7.5
Treasury Bills (13-week)	6.62
Treasury Bills (26-week)	7.10

GERMANY

Discount Rate	3
Overnight	3.5
One month	3.55
Three months	3.65
Six months	3.75

FRANCE

Discount Rate	9.5
Overnight	7.5
One month	7.75
Three months	7.875
Six months	8.125

JAPAN

Discount Rate	3.5
Overnight	1
Three months	2
Six months	3.25
One year	4

STOCK EXCHANGE REPORT

Gilt-edged up on hopes of Government monetary moves

Equity leaders inclined easier—Share index 2.8 off at 474.9

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
May 30	Jun. 8	Jun. 9	Jun. 20
Jun. 12	Jun. 22	Jun. 23	July 4
Jun. 26	July 6	July 7	July 18

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Second thoughts about the mid-May banking figures coupled *with growing hopes that the* authorities will make early moves on the monetary front and thus enable the Government funding programme to get under way again gave a much needed boost to sentiment in the Gilt-edged sector yesterday. Potential buyers, however, were again content to hold off, the day's rises, which extended to ⅞, mainly reflecting the absence of any selling pressure. The Government Securities index improved 0.37 to 69.20.

Elsewhere in stock markets, *leading Industrials drifted lower* in extremely quiet trading. However, apart from P & O, *which fell 6 to 94p on the* chairman's gloomy report at the annual meeting, losses were limited to a few pence. The F.T. 30-share index eased 2.8 to 474.9.

Among secondary issues, the overseas-based companies continued to move ahead in line with a fresh improvement in the *dollar premium*, while company trading statements and a continuation of bid speculation provided *the main points of interest.* Overall, the underlying tone was firm; rises were in a majority over *falls by 7-4 in F.T.-quoted* Industrials and the F.T.-Actuaries All-Share index closed only a *shade lower at 216.43. The* continuing low level of activity was reflected in official bargains of 4,532 *compared with 4,644 on* Tuesday.

Gilts improve

British Funds took on a more settled *appearance at the opening of business following over*night consideration of the mid-May banking figures. With hopes rising during the day that the authorities will make early moves on the money supply problems, there was a noteworthy improvement in prices by the end of the day. Short-dated issues finished with gains ranging to ¼ and sometimes more, while gains in the later maturities ranged to ⅞. However, the day's advance owed more to the absence of sellers, demand being only modest.

The volume of business in *Traded Options* contracted quite sharply and yesterday's total of 205 contracts done was the lowest *since dealings began on April 21.* This compares with the previous lowest of 250 recorded on Monday and the heaviest total so far of 988 transacted on May 5. Still on the results, **Land Securities** attracted moderate support with 85 contracts followed by **Consolidated Gold** with 38 and **ICI** 33. *Today sees the introduction of a* new ICI 420 series.

The investment currency market saw a continuation of the recent firm trend as Wall Street advices again helped the premium push forward to close a further point higher at 113 per cent, for a gain of 7½ over the past three days. Yesterday's conversion factor was 0.6694 (0.6763).

Banks firm

The major clearing Banks made modest progress in thin trading; sentiment was helped by Press comment on the mid-May banking figures; **NatWest** hardened 3 to 275p and **Barclays** improved 2 to 330p as **did Lloyds**, to 280p and ***Midland**, to 360p. In Foreign* issues, **Hong Kong and Shanghai** firmed 7 more to 287p on *investment currency influences.*

Firm the previous day following publicity given to a broker's *bullish yearly review*, ***Composite*** **Insurances** turned a shade easier. Among brokers, **C. E. Heath** dipped 7 to 263p and **Willis Faber** gave up 5 to 260p.

Movements in Breweries were limited to a penny or two in either direction following a slow trade. Elsewhere, **Macdonald Martin Distilleries**, a firm market of late on the distribution deal with Bass Charrington, reacted 5 to 445p.

Leading Building issues closed a shade firmer for choice after another small trade. Secondary issues *displayed the occasional* feature, notably **Tunnel B** which put on 8 to 272p following a *seminar to demonstrate the merits* of a toxic waste process which is to be marketed in association with **Leigh Interests**. Leigh added a penny to 175p. Renewed interest lifted **Brown and Jackson** 5 to 100p and buying in a thin market promoted a gain of 3 to 113p in **Heywood Williams**, while **W. and J. Glossop** firmed 4 for a two-day gain of 7 to 68p following the chairman's annual statement.

Chemicals traded narrowly with a slightly easier bias with **ICI** 2 easier at 390p and **Albright and Wilson** 3 lower at 154p on lack of buyers and small selling. **Hickson and Welch** shed 10 to 210p ahead of today's annual results, while **Carless Capel** cheapened 3 to 31p in further response to the disappointing figures. In contrast, **William Ransom**, 195p, and **Stewart Plastics**, 151p, both put on 3 in respective thin markets.

Stores quiet

Stores remained quietly firm after the latest retail sales figures. **Sumrie Clothes** hardened 2 to 20p on the preliminary statement, while **Sellncourt** attracted buyers again and gained 1½ further to 25½p. **A. G. Stanley** continued firmly, advancing 4 more to 130p.

Noteworthy movements were few and far between in idle Electricals. **Electronic Rentals** hardened 3 to 131p on small buying in anticipation of to-day's preliminary figures, while further consideration of the interim *statement lifted* **Comet Radiovision** a penny more to 133p.

Secondary issues provided the main focal points in Engineerings yesterday. Following the Board's strong rejection of **Redman Heenan's** bid of 65p per share, **Spooner Industries** came in for support on hopes of a higher, or counter, bid and, after touching a 1978 peak of 79p, closed 4 up on balance at 77p. Further consideration of the chairman's encouraging statement helped **John Folkes-Hefo** improve 2 to 23½p, *while* ***United Spring and Steel*** closed a like amount dearer at 28p, after 29p, following the *sharply increased interim earnings.* **Brooke Tool** hardened a penny to 40p on the rights issue *announcement and a resurgence* of speculative buying prompted a gain of 7 to 122p in **M. L. Holdings**. **F. H. Lloyd** found support at 76p, up 2½, while similar improvements were seen in **Burgess Products**, 46p, and **Ductile Steels**, 120p. Of the quietly dull leaders, **John Brown** cheapened 4 to 368p; the preliminary results are expected soon.

Foods edged higher in light trading. **Cullen's Stores** improved 4 to 16p on small buying in anticipation of today's preliminary figures, while continuing bid speculation lifted **Morgan Edwards** 2 further to 59p. **Associated British Foods**, results next Monday, edged forward a penny to 70p. Gains of 2 were recorded by **Bejam**, 67p, and **Northern Foods**, 93p, while **Kraft** reflected currency influences with a gain of 1½ points to £40½. Of the few dull spots, **Tate and Lyle** eased 4 to 170p and **Highgate and Job** 4½ to 58½p.

Publicity given to a batch of brokers' favourable circulars drew buyers' attention to **Reed International** which pushed forward to close 5 up at 126p. Other miscellaneous Industrial leaders *had little to offer and closed* mixed after a thin trade. **Unilever** improved 4 to 524p but **Rank Organisation** softened that much to 256p. Elsewhere, comment on the annual results helped **De La Rue** *firm 9 more to 342p* and further speculative buying on take-over hopes prompted an improvement of 3 for a two-day rise of 14 to 83p in **United Carriers**. Demand of a similar nature in a thin market helped **Grovebell** firm 2 more to 36p, while **BTR** advanced 3 to 263p following news of the group's planned offer for the U.S. Worcester Controls Corporation. **UKO** edged forward a penny to 158p in front of today's preliminary results, while support was forthcoming for **Thomas Witter** and **Wood and Sons** which improved 4 apiece to 53p and 40p respectively. **Leisure Caravan** closed a *similar amount* dearer at 130p and **Ofrex** added 3 at 97p. Investment currency *influences helped* ***Hutchison***, 88p, and **Jardine Matheson**, 244p, to improve 4 more. **Hanson Trust**, *on the other hand, gave up 3 to* 139p in reaction to the disappointing first-half profits and **Comrex** softened a penny more to 83p on further consideration of the chairman's profits warning. ***J. Billam*** *receded 4 to 40p and* **E. Fogarty** 7 to 175p.

Following Tuesday's late jump *of 16½ on a Press suggestion that* the forthcoming results will be good, **Heron Motor** improved *afresh to 138p before meeting* profit-taking and closing a net 3 easier on the day at 127p. **Reliant**, *a firm market of late*, shaded ¼ to 9p. **Airflow Streamlines** held at 88p in front of today's preliminary figures, but buyers showed interest in **Pennine Motor**, ½ harder at 7½p, and **Supra Group**, 2 better at 55p.

Land Securities ease

Associated Book Publishers rose 15 to a 1978 peak of 220p on demand in a thin market, but **Thomson**, on further consideration of the chairman's remarks, eased 3 to 233p. Elsewhere, **Mills and Allen**, at 160p, regained 7 of the previous day's fall of 10 and **McCorquodale** closed 17 higher at 290p, *the latter in* response to the increased interim profits and the accompanying statement.

Land Securities eased 6 to 200p after Press comment on the results. Other leading Properties drifted lower, still on fears of higher interest rates. **English** eased a penny to 44p and **MEPC** 2 to 124p. **Churchbury Estates** stood out among secondary issues with a rise of 10 to 255p on small buying and

Oils were neglected again and closed little changed with **British Petroleum**, 872p, and **Shell**, 560p, *closing marginally lower.* **Burmah** shed a penny to 66p ahead of tomorrow's AGM. **Tricentrol** eased 3 to 178p and **Siebens UK** 9 to 374p, the latter on profit-taking after the previous day's speculative advance of 25. In contrast, small buying interest developed for **Ultramar**, 3 higher at *275p*, and **Attock**, 4 better at 80p, while **Oil Exploration** continued to attract speculative support and firmed 2 to 258p, after 260p.

James Finlay figured prominently in Overseas Traders, rising *17 to a 1978 peak of 362p in be*lated response to the record preliminary figures and capital *proposals.* ***Harrisons and Crosfield*** improved 13 to 475p on the sharply increased dividend, while **Lonrho**, at 61p, recouped a penny of the recent sharp decline on the Tanzanian situation.

New Throgmorton featured Investment Trusts following the announcement of the better-than-expected assets revaluation; the capital shares moved up 18 to 114p, after 119, and the new warrants hardened 3 to 18p. **Jersey External** preferred rose 8 to 164p, while **Atlantic Assets** gained 3½ to 98p. **Robert Kitchen Taylor** featured late in Financials, rising 4 to 77½p on the substantial first-half trading recovery. **Dawnay Day** moved up 2½ to 43p on renewed speculative interest, but small profit-taking clipped 5 from ***Majedie Investments*** *at 69p.*

Already easier at 97½p in front of the annual meeting, **P and O** deferred *eased afresh to 93p* before closing 6 down on balance at 94p on the chairman's descrip*tion of the first four month's* trading as poor. **Ocean Transport** were also active and 4 cheaper at *119p. Other Shippings lost ground* in sympathy.

Among Tobaccos, **Rothmans International** closed a shade easier at 55p folowing news of the company's proposed price increases. **Shiloh Spinners**, 3 better at 29p, provided the sole noteworthy movement in Textiles.

South African industrials moved higher, helped by investment dollar premium influences. **Anglo American Industrial** added 50 to 560p.

Plantations displayed no set trend after a thin trade. **Castlefield** gave up 5 to 230p but **Anglo-Indonesian** ended 2 firmer at 96p. **Guthrie** held at 317p in front of today's preliminary results.

Rally in Golds

The $1.75 recovery in the bullion price to $183.125 per ounce *in front of the outcome of yester*day's International Monetary Fund auction enabled South African Gold to move ahead strongly.

Sentiment was also helped by the higher dividend declarations from the Anglo-Vaal and General Mining group producers.

A firmer opening for Golds followed the modest recovery in overnight transatlantic market. *Thereafter, prices edged higher in* line with the metal price and closing quotations were usually at the day's highest as renewed American interest was reported.

The Gold Mines index added 4.6 at 158.5. Among the heavyweights, **Randfontein** advanced £1¼ to £35¼, while **Western Holdings** put on ¼ to £18¾. **West Driefontein** rose ⅜ to a 1978 high of £22⅝ and **Harteheest** the same amount to a high of £13⅜, the *latter reflecting the higher-than-*expected final dividend.

Buffels also attracted a good demand following the increased dividend and closed 40 better at a high of 960p. In the cheaper-*priced issues*, improvements of between 14 and 28 were registered in **Kloof**, 532p, **Doornfontein**, 315p, ***Libanon***, *586 and* **Zandpan** 221p.

Financials all gained ground reflecting the strength of Golds. South African stocks showed **Anglo American** 14 firmer at a 1978 high of 314p on further consideration of the 15-months' results announced on Monday, while, in the London-based issues, **Charter** improved 4 to 140p, also on consideration of results and reflecting favourable Press mention.

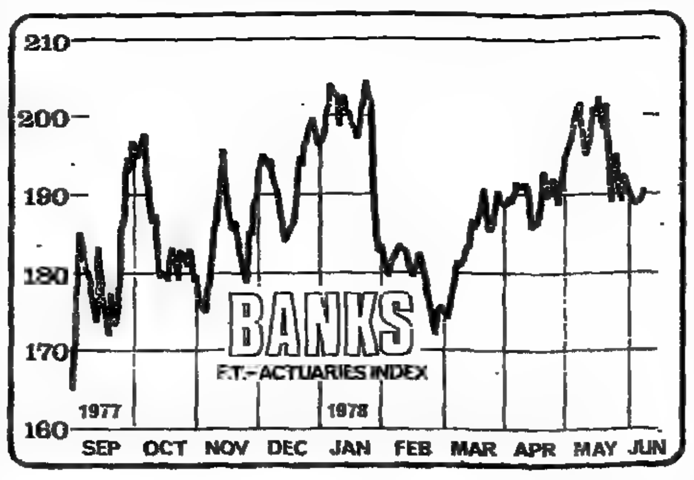
Rio Tinto-Zinc touched a 1978 high of 234p prior to closing 5 up on balance at 238p and **Selection Trust** put on 4 to 414p.

Western Mining featured in *Australians*; further encouraging drilling results from the Benambra copper/zinc/silver prospect *in Victoria saw the shares advance* 8 to a new high for the year of 135p.

Other Australians, however, tended to drift owing to the downturn in overnight domestic markets. Diminishing speculative interest caused **Northern Mining** to drop 11 to 92p, while **Tasminex** fell 5 more to 65p.

Base-metal miners to lose ground included **Bougainville** and **MIM Holdings** which gave up 3 to 126p and 209p respectively.

On the other hand, **Peko-Wallsend** were well supported and hardened 5 more to a year's high of 513p *reflecting the company's* considerable uranium interests.



RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	67	1	8
Corpns., Dom. and Foreign Bonds	15	7	43
Industrials	386	200	985
Financial and Prop.	127	69	324
Oils	14	8	12
Plantation	4	6	22
Mines	48	15	40
Recent Issues	7	7	15
Totals	468	313	1,449

FINANCIAL TIMES STOCK INDICES

—	June 7	June 6	June 5	June 2	June 1	May 31	A year ago
Government Secs.	69.20	68.83	68.79	69.56	69.90	70.13	38.73
Fixed Interest	70.98	70.73	70.82	71.33	71.70	71.77	59.24
Industrial Ordinary	474.9	477.7	474.5	475.6	478.2	478.6	455.7
Gold Mines	158.5	153.9	154.0	152.7	155.2	156.1	122.8
Ord. Div. Yield	5.58	5.55	5.58	5.56	5.55	5.52	5.12
Earnings Y'ld% (full) (*)	16.22	16.13	16.22	16.17	16.43	16.40	15.88
P/E Ratio (net) (*†)	8.24	8.29	8.24	8.27	8.18	8.19	9.25
Dealings marked	4,532	4,644	4,644	4,998	4,831	4,342	4,804
Equity turnover £m	—	65.73	55.56	67.96	68.53	64.69	49.29
Equity bargains total	—	15,076	14,322	12,595	14,374	14,264	13,615

10 am 475.6. 11 am 475.7. Noon 476.6. 1 pm 476.2. 2 pm 475.7. 3 pm 475.4.

Latest Index 01-246 8026.

* Based on 52 per cent corporation tax. † Nil=8.09.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (5/1)	68.79 (6/6)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	70.73 (6/6)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	497.3 (5/1)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	166.6 (8/3)	130.3 (6/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	June 7	June 6
—Daily		
Gilt-Edged	160.5	180.5
Industries	156.6	159.8
Speculative	35.6	36.7
Totals	103.2	105.7
5-day Av'rage		
Gilt-Edged	154.2	152.2
Industrials	165.1	168.7
Speculative	38.5	39.8
Totals	107.7	105.8

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
BATs Defd.	25p	10	283	− 3	298	227
ICI	£1	10	390	− 2	396	328
P & O Defd.	£1	9	94	− 6	118	91
Shell Transport	25p	9	560	− 1	588	484
Western Mining	$A0.50	9	135	+ 8	136	84
BP	£1	8	872	− 4	892	720
De La Rue	25p	8	342	+ 9	343	230
GEC	25p	7	260	− 1	278	233
GUS A	25p	7	276	—	312	256
Barclays Bank	£1	6	330	+ 2	358	296
Beecham	25p	6	650	− 3	678	583
Commercial Union	25p	6	148	− 2	159	138
Finlay (James)	50p	6	362	+17	362	230
Grand Met.	50p	6	114	− 1	117	87
Rank Org.	25p	6	256	− 4	268	226

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jun. 7	Jun. 20	Aug. 31	Sep. 14
Jun. 20	July 4	Sep. 14	Sep. 28
July 14	July 18	Sep. 28	Oct. 12

For rate indications see end of Share Information Service.

Stocks favoured for the call included Lonrho, Burmah Oil, Premier Consolidated Oil, Reardon Smith A, Pritchard Services, William Press, Spillers, Endeavour Oil, Oxley Printing, Bath and Portland, KCA International, Energy Services, UDT, Elandsrand, Debenhams and English Property. Puts were done in BSR, Lonrho, A. Hook and Siebens Oil (UK), while doubles were arranged in English Property, Debenhams and Queen's Moat Houses.

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (183)

BRITISH FUNDS (2)
AMERICANS (20)
CANADIANS (4)
BANKS (1)
BEERS (5)
BUILDINGS (8)
CHEMICALS (2)
DRAPERY & STORES (8)
ELECTRICALS (3)
ENGINEERING (8)
FOODS (5)
HOTELS (1)
INDUSTRIALS (36)
INSURANCE (1)
MOTORS (3)
NEWSPAPERS (2)
PAPER & PRINTING (5)
PROPERTY (2)
SHOES (1)
SOUTH AFRICANS (1)
TEXTILES (3)
TRUSTS (38)
OILS (2)
OVERSEAS TRADERS (5)
RUBBERS (1)
TEAS (1)
MINES (21)

NEW LOWS (9)

LOANS (2)
U.S.M.C. 5pc 1982 ICFC 9pc A '81-84 without Warrants
FOREIGN BONDS (1)
Ireland 9¾pc '91-96
FOODS (1)
Tavener Rutledge
INDUSTRIALS (4)
Barrow Hepburn Camrex
Bodycote Internatl. Whiteley (B.S.&W.)
TEXTILES (1)
Bond St. Fabrics

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	October Closing offer	October Vol.	January Closing offer	January Vol.	Equity close
BP	750	135	—	147	—	167	—	872p
BP	800	84	—	107	—	131	—	—
BP	850	42	—	67	—	95	2	—
BP	900	15½	—	40	—	66	—	—
Com. Union	140	13½	—	20	—	23	—	149p
Com. Union	160	5	12	9	—	15½	—	—
Cons. Gold	160	19	2	27	—	32	—	177p
Cons. Gold	180	7½	—	16	51	21	5	—
Courtaulds	100	24½	—	27	—	29½	—	123p
Courtaulds	110	17	—	20	—	21½	—	—
Courtaulds	120	9	7	14	—	16½	—	—
Courtaulds	130	5	—	9½	—	15	—	—
GEC	220	49	—	62	—	56	—	261p
GEC	240	29½	—	35½	—	44	—	—
GEC	260	13	3	23	—	31	—	—
GEC	280	4½	—	14	—	21	—	—
Grand Met.	100	18	—	21	—	23½	—	115p
Grand Met.	110	9½	—	13	—	16½	—	—
Grand Met.	120	5	2	9½	—	12½	—	—
ICI	330	66	2	72	—	75	5	391p
ICI	360	36	10	42	—	53	5	—
ICI	390	13½	16	23½	—	33½	2	—
Land Secs.	180	32	14	36	5	38	—	210p
Land Secs.	200	11½	28	19½	4	26½	4	—
Land Secs.	220	3	10	11½	—	16	—	—
Marks & Sp.	120	28	—	30½	—	32	—	145p
Marks & Sp.	140	10½	—	16½	2	19	—	—
Marks & Sp.	160	2½	—	6½	—	10	—	—
Shell	500	72	—	95	—	103	—	560p
Shell	550	26	—	54	—	65	5	—
Shell	600	9	13	24	1	38	—	—
Totals			119		63		25	

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
75	F.P.	—	[illegible]	[illegible]	Bennett (C.) [illegible]	91	[illegible]	b4.5	3.1	7.5	4.9
100	F.P.	[illegible]	[illegible]	142	Burnthern [illegible]	149	[illegible]	b4.64	4.0	2.7	14.2

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible] ★ With warrants.

LEADERS AND LAGGARDS

The following table shows the percentage changes which have taken place since December 30, 1977, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines index.

Gold Mines	+15.54
Mining Finance	+13.31
Tobaccos	+11.46
Overseas Traders	+11.37
Office Equipment	+10.98
Chemicals	+9.25
Mechanical Engineering	+8.82
Newspapers and Publishers	+8.72
Engineering Contractors	+7.55
Motors and Distributors	+7.15
Toys and Games	[illegible]
Textiles	[illegible]
Oils	[illegible]
Contracting and Construction	[illegible]
Other Groups	[illegible]
Capital Goods	[illegible]
Wines and Spirits	[illegible]
Metal and Metal Forming	[illegible]
500 Share Index	[illegible]
Consumer Goods (Durable) Group	[illegible]
Industrial Group	[illegible]
Packaging and Paper	[illegible]
All-Share Index	[illegible]
Investment Trusts	[illegible]
Entertainment and Catering	[illegible]
Consumer Goods (Non-Durable) Group	[illegible]
Electricals, Radio and TV	[illegible]
Building Materials	[illegible]
Merchant Banks	[illegible]
Pharmaceutical Products	[illegible]
Electricals	[illegible]
Insurance Brokers	[illegible]
Stores	[illegible]
Shipping	[illegible]
Food Retailing	[illegible]
Insurance (Composite)	[illegible]
Insurance (Life)	[illegible]
Food Manufacturing	[illegible]
Property	[illegible]
Household Goods	[illegible]
Banks	[illegible]
Financial Group	[illegible]
Breweries	[illegible]
Discount Houses	[illegible]
Hire Purchase	[illegible]

* Percentage changes based on Tuesday, June 6, 1978, indices.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Wed., June 7, 1978 Index No.	Day's Change %	Est. Earnings Yield% (Max.) Corp. Tax 52%	Gross Div. Yield% (ACT at 34%)	Est. P/E Ratio (Net) Corp. Tax 52%	Tues. June 6 Index No.	Mon. June 5 Index No.	Fri. June 2 Index No.	Thurs. June 1 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (171)	214.94	−0.1	17.49	5.58	7.98	215.07	214.05	214.16	215.32	[illegible]
2	Building Materials (28)	190.72	+0.2	18.02	5.69	7.93	190.34	190.21	190.15	191.36	[illegible]
3	Contracting, Construction (26)	351.55	+0.1	19.56	3.88	7.42	351.09	346.25	344.81	346.32	[illegible]
4	Electricals (15)	452.07	−0.3	15.16	3.93	9.34	453.39	450.02	450.55	454.31	347.25
5	Engineering Contractors (14)	317.87	−0.4	18.56	6.42	7.30	319.04	318.10	319.58	320.34	[illegible]
6	Mechanical Engineering (71)	174.94	−0.2	18.31	6.07	7.44	175.12	174.58	174.45	175.09	[illegible]
8	Metals and Metal Forming (17)	164.05	+0.1	17.38	8.55	7.85	163.81	163.33	164.25	165.05	[illegible]
	CONSUMER GOODS										
11	(DURABLE) (52)	197.37	+0.2	16.91	4.84	8.32	196.89	195.88	195.89	197.26	[illegible]
12	Lt. Electronics, Radio TV (15)	231.49	+0.4	15.12	3.73	9.32	230.60	229.11	228.99	231.39	[illegible]
13	Household Goods (12)	177.78	+0.4	16.19	6.36	8.49	177.06	177.75	177.48	177.47	[illegible]
14	Motors and Distributors (25)	125.52	—	19.73	6.14	7.15	125.51	124.86	125.02	125.45	[illegible]
	CONSUMER GOODS										
21	(NON-DURABLE) (175)	202.59	−0.1	15.83	5.78	8.57	202.86	202.26	202.78	204.07	[illegible]
22	Breweries (14)	233.08	−0.6	14.64	5.81	9.83	234.50	234.72	234.69	237.12	[illegible]
23	Wines and Spirits (6)	258.76	−0.1	15.63	5.57	9.70	258.95	259.98	259.92	261.11	[illegible]
24	Entertainment, Catering (17)	261.88	−0.2	13.44	6.52	10.74	262.46	261.05	261.27	262.47	[illegible]
25	Food Manufacturing (22)	196.48	+0.2	19.83	5.65	6.67	196.11	195.11	194.83	196.81	[illegible]
26	Food Retailing (15)	201.07	+0.5	14.53	4.99	9.57	200.07	199.72	200.80	201.98	[illegible]
32	Newspapers, Publishing (13)	375.23	−0.4	10.54	3.31	13.59	376.69	370.10	367.73	368.39	[illegible]
33	Packaging and Paper (15)	133.14	+1.2	19.97	7.94	6.61	131.52	130.26	130.72	131.28	[illegible]
34	Stores (39)	180.12	−0.3	11.70	4.52	12.54	180.57	179.65	180.33	181.20	[illegible]
35	Textiles (25)	181.69	—	17.09	7.62	7.70	181.63	180.76	181.87	183.27	[illegible]
36	Tobaccos (3)	251.39	−0.8	21.99	7.45	5.41	253.46	255.44	257.79	259.58	[illegible]
37	Toys and Games (6)	107.38	+0.2	19.71	5.81	6.64	107.21	107.18	108.82	108.38	[illegible]
41	OTHER GROUPS (97)	198.86	−0.4	16.29	5.74	8.07	199.64	198.65	199.27	200.29	[illegible]
42	Chemicals (19)	284.69	−0.5	17.51	6.13	7.75	285.99	283.72	285.07	285.97	[illegible]
43	Pharmaceutical Products (7)	250.65	−0.3	11.45	3.96	10.91	251.38	258.94	260.16	261.42	[illegible]
44	Office Equipment (6)	135.81	−0.9	17.64	4.70	6.71	137.11	134.66	134.98	137.03	[illegible]
45	Shipping (10)	431.75	−2.4	19.38	7.29	6.28	442.23	439.08	432.39	431.12	[illegible]
46	Miscellaneous (55)	204.25	+0.2	17.18	6.35	7.91	203.94	203.85	204.75	206.17	[illegible]
49	INDUSTRIAL GROUP (495)	211.26	−0.2	16.42	5.65	8.28	211.58	210.72	211.16	212.40	181.02
51	Oils (5)	495.33	−0.3	14.90	3.99	7.28	496.98	490.89	494.08	498.72	503.95
59	500 SHARE INDEX	234.79	−0.2	16.19	5.40	8.11	235.21	233.96	234.60	236.13	[illegible]
61	FINANCIAL GROUP (100)	164.36	−0.3	—	5.69	—	164.79	163.91	164.16	165.32	[illegible]
62	Banks (6)	190.62	+0.7	24.03	5.66	6.10	189.29	188.56	189.90	191.66	[illegible]
63	Discount Houses (10)	198.72	+0.2	—	8.58	—	198.35	198.50	198.58	198.97	[illegible]
64	Hire Purchase (5)	141.34	+0.5	13.84	5.80	10.69	140.60	140.60	143.06	146.48	[illegible]
65	Insurance (Life) (10)	137.49	−0.3	—	6.62	—	137.89	137.18	137.68	138.82	[illegible]
66	Insurance (Composite) (7)	125.18	−0.7	—	6.81	—	126.08	124.70	124.48	125.98	[illegible]
67	Insurance Brokers (10)	328.77	−0.5	14.18	4.77	10.10	330.34	329.92	329.01	331.85	[illegible]
68	Merchant Banks (14)	81.09	−0.7	—	6.01	—	81.63	81.63	81.28	81.32	[illegible]
69	Property (31)	235.32	−1.2	2.93	3.14	65.32	238.15	236.93	236.63	235.97	[illegible]
70	Miscellaneous (7)	108.50	+0.4	24.20	7.44	5.72	108.03	108.03	107.86	107.38	[illegible]
71	Investment Trusts (50)	209.91	+0.3	3.23	4.73	30.95	209.29	207.49	207.80	203.63	[illegible]
81	Mining Finance (4)	102.12	+1.8	16.39	6.81	7.44	100.36	100.50	100.77	100.87	[illegible]
91	Overseas Traders (19)	313.86	+0.3	16.02	6.58	7.68	312.91	310.79	313.99	316.89	[illegible]
99	ALL-SHARE INDEX (673)	216.43	−0.1	—	5.47	—	216.71	215.54	216.11	217.24	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Wed. June 7	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	104.28	+0.12	0.15	4.10
2	5-15 years	113.82	+0.42	—	3.76
3	Over 15 years	118.83	+0.75	0.50	5.67
4	Irredeemables	122.61	+0.75	—	6.30
5	All stocks	111.47	+0.47	0.25	4.59

FIXED INTEREST YIELDS — Br. Govt. Av. Gross Red.

			Wed. June 7	Tues. June 6	Year ago (approx.)
1	Low Coupons	5 years	8.99	9.05	[illegible]
2		15 years	11.19	11.28	[illegible]
3		25 years	11.83	11.93	[illegible]
4	Medium Coupons	5 years	11.54	11.60	[illegible]
5		15 years	12.39	12.49	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		11.53	[illegible]	[illegible]

		Wed. June 7 Index No.	Yield %	Tues. June 6	Monday June 5	Friday June 2	Thurs. June 1	Wed. May 31	Tues. May 30	Friday May 26
15	20-yr. Red. Deb & Loans (15)	57.11	13.00	57.14	57.22	57.27	57.34	57.54	57.65	57.37
16	Investment Trust Prefs. (15)	52.23	13.55	52.23	52.23	52.23	52.91	52.91	51.78	51.70
17	Coml. and Indl. Prefs. (20)	71.57	12.94	71.49	71.53	71.52	71.56	71.72	71.79	71.96

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

INSURANCE, PROPERTY, BONDS

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hill Samuel §	9 %
Allied Irish Banks Ltd.	9 %	C. Hoare & Co. †	9 %
American Express Bk.	9 %	Julian S. Hodge	10 %
Amro Bank	9 %	Hongkong & Shanghai	9 %
A P Bank Ltd.	9 %	Industrial Bk. of Scot.	9 %
Henry Ansbacher	9 %	Keyser Ullmann	9 %
Banco de Bilbao	9 %	Knowsley & Co. Ltd.	11½%
Bank of Credit & Cmce.	9 %	Lloyds Bank	9 %
Bank of Cyprus	9 %	London Mercantile	9 %
Bank of N.S.W.	9 %	Edward Manson & Co.	10½%
Banque Belge Ltd.	9 %	Midland Bank	9 %
Banque du Rhone	9½%	■ Samuel Montagu	9 %
Barclays Bank	9 %	■ Morgan Grenfell	9 %
Barnett Christie Ltd.	9½%	National Westminster	9 %
Bremar Holdings Ltd.	10 %	Norwich General Trust	9 %
Brit. Bank of Mid. East	9 %	P. S. Refson & Co.	9 %
■ Brown Shipley	9 %	Rossminster Accept'cs	9 %
Canada Perm't. Trust	9 %	Royal Bk. Canada Trust	9 %
Capitol C & C Fin. Ltd.	9 %	Schlesinger Limited	9 %
Cayzer Ltd.	9½%	E. S. Schwab	10½%
Cedar Holdings	9½%	Security Trust Co. Ltd.	10 %
■ Charterhouse Japhet	9 %	Shenley Trust	11 %
Choulartons	9 %	Standard Chartered	9 %
C. E. Coates	10 %	Trade Dev. Bank	9 %
Consolidated Credits	9 %	Trustee Savings Bank	9 %
Co-operative Bank *	9 %	Twentieth Century Bk.	10 %
Corinthian Securities	9 %	United Bank of Kuwait	9 %
Credit Lyonnais	9 %	Whiteaway Laidlaw	9½%
The Cyprus Popular Bk.	9 %	Williams & Glyn's	9 %
Duncan Lawrie §	9 %	Yorkshire Bank	9 %
Eagil Trust	9 %		
English Transcont.	10 %		
First London Secs.	9 %		
First Nat. Fin. Corpn.	11 %		
First Nat. Secs. Ltd.	11 %		
■ Antony Gibbs	9 %		
Greyhound Guaranty	9 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		
■ Hambros Bank	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month deposits 6½%.
† 7-day deposits on sums of £10,000 and under 6%, up to £25,000 6½%, and over £25,000 6¾%.
‡ Call deposits over £1,000 6%.
§ Demand deposits 6½%.
¶ Rate also applies to Sterling Ind. Securities.

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. [illegible] Guernsey gross. [illegible] Suspended. ♦ Yield before Jersey tax. † Ex subdivision.

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101
Index Guide as at 7 June, 1978 (Base 100 at 14.1.77)
Clive Fixed Interest Capital 126.93
Clive Fixed Interest Income 112.91

CORAL INDEX: Close 474-479

INSURANCE BASE RATES

†Property Growth 9¾%
†Vanbrugh Guaranteed 9.50%

† Address shown under Insurance and Property Bond Table.

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LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978 High	1978 Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
19	17	Antofagasta Rly	19	......	—	—
34	33	Do 5pc Pref	33xd	......	—	—
98	98	Chilean Mixed	98	......	3	£3.10
415	350	German Yng 4½pc	405xd	......	4½	—
54	49	Greek 7pc Ass.	54xd	......	3½	£6.48
51	46	Do 6pc 28 Stab. Ass.	51	......	6	£6.00
44	40	Do 4pc Mixed Ass.	43	......	4	£4.76
55	42	Hung. 24 Ass	55	......	4½	5.00
77	67	Iceland 6½pc '83-88	67xd	......	—	12.80
88	84	Ireland 7½pc 81-83	85	......	7½	12.36
91	79	Do 9¼pc 91-96	79	−½	9¾	13.18

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 48⅛% (based on US$1.8230 per £)

Conversion factor 0.6694 (0.6763)

CANADIANS

S.E. List Premium 49⅛% (based on $2.0449 per £)

BANKS AND HIRE PURCHASE

1978 High	1978 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
52	37	Keyser Ullmann.	52xd	......	0.66	—	1.9	—
74	58	King & Shax 20p.	58	......	3.39	—	8.8	—
114	92	Kleinwort B.L.	102	......	4.12	—	6.1	—
297	242	Lloyds £1	280	+2	9.09	5.5	4.9	5.6
50½	42	Manson Fin. 20p.	45	......	†2.79	1.5	9.4	11.2
134	106	Mercury Secs.	112	......	3.39	—	4.6	—
*390	330	Midland £1	360	+2	14.75	4.3	6.2	5.6
£92	£78½	Do. 7½% 83-93	£86	......	Q7½%	21.1	8.7	—
£95¼	£82½	Do. 10¾% 93-98	£82¾	+¼	Q10¾%	21.1	13.3	—
64½	56	Minster Assets	58xd	−1	3.55	Φ	9.3	Φ

BANKS & H.P.—Continued

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[illegible]

FINANCE

[illegible]

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[illegible]

MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
[illegible]	145	Falcon Rh 50c	190	-5	Q50c	1.3	22.5
[illegible]	15	Rhod. Corp. 16½p	17	[illegible]	0.5	7.2	5.0
[illegible]	52	Roan Cons. K4	73	-2	—	—	—
[illegible]	122	Tanganyika 50p	162	.....	Q10.0	φ	6.4
[illegible]	78	Do. Pref. 80p	90	...	Q9%	16.4	8.0
[illegible]	32	Wankie Col. Rh1	37	-1	[illegible]	1.4	17.3
16½	10	Zam.Cpr SBD0.24	15½	.....	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
15	10	Acmex 25c	15			—	—
132	64	Bougainville 30Toea	126	-3	Q8c	1.4	4.0
[illegible]	63	BH South 50c	98		—	—	—
245	148	Conzinc Riotinto 50c	230	-2	Q10c	2.2	2.7
72	48	G.M. Kalgoorlie $1	54	.....	—	—	—
[illegible]	61	Hampin Areas 5p	132		1.45	4.1	1.7
40	10	Metals Ex. 50c	33	-2	—	—	—
215	125	M.I.M. Hldgs. 50c	209	-3	Q9c	1.7	2.7
79	10	Mount Lyell 25c	39		—	—	—
[illegible]	2½	Newmetal 20c	4	-2½	—	—	—
[illegible]	79	North B. Hill 50c	125	-1	Q8c	1.5	4.0
16	8½	Nth. Kalgurli	16	-1	—	—	—
[illegible]	117	Oakbridge $A1	163	+2	tQ11c	1.9	4.2
48	30	Pacific Copper	46	-1	—	—	—
[illegible]	750	Pancont'l 25c	£13¼		—	—	—
[illegible]	12	Pamaga M&E 5p	35½	-1½	—	—	—
[illegible]	310	Peko-Wallsend 50c	513	-5	Q15c	4.0	1.8
[illegible]	84	Westn. Mining 50c	135	-8	tQ6c	1.4	[illegible]
70	35	Whim Creek 20c	55	-5	—	—	—

TINS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
30	24	Amal. Nigeria	25	-1	[illegible]	1.6	15.2
360	240	Ayer Hitam $M1	350		[illegible]	0.9	[illegible]
60	45	Beralt Tin	54	-1	3.75	4.4	11.0
290	200	Berjuntai $M1	280		[illegible]	φ	[illegible]
145	111	Geevor	135		[illegible]	3.4	5.1
10	8½	Gold & Base 12½p	10		—	—	—
290	220	Gopeng Cons.	290		15.0	0.9	7.9
165	130	Hongkong	165		—	—	—
93	78	Idris 10p	88		12.0	1.6	21.8
[illegible]	10	Jantar 12½p	11	[illegible]	—	—	—
73	62	Kamunting $M0.50	68		[illegible]	0.7	[illegible]
480	450	Killinghall	480		Q125	φ	26.0
400	280	Malay Dredging $M1	385		[illegible]	0.8	5.3
70	40	Pahang	70		[illegible]	0.5	[illegible]
62	50	Pengkalen 10p	60		6.5	1.3	16.7
210	205	Petaling $M1	210		[illegible]	1.6	8.7
61	49	Saint Piran	54		[illegible]	4.6	[illegible]
61	47	South Crofty 10p	56		[illegible]	1.5	[illegible]
205	140	South Kinta $M0.50	200		[illegible]	1.4	8.4
305	230	Sthn. Malayan $M1	300		[illegible]	1.1	[illegible]
208	134	Sungei Besi $M1	208		—	—	—
[illegible]	55	Supreme Corp. $M1	75		[illegible]	—	2.9
[illegible]	85	Tanjong 15p	92		6.5	0.8	10.7
[illegible]	74	Tongkah Hrbr. $M1	96		[illegible]	1.6	[illegible]
[illegible]	148	Tronoh $M1	210		[illegible]	1.6	9.0

COPPER

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
100	70	Messina R0.50	98	.....	tQ30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
17	9	Burma Mines 17½p	15		—	—	—
300	220	Cons. Murch. 10c	230		tQ30c	2.6	‡
440	245	Northgate C$1	430	-10	—	—	—
234	164	R.T.Z.	233	+5	9.5	2.8	6.2
46½	30	Sabina Inds. C$1	44	-2	—	—	—
£12	750	Tara Expln. $1	£11¼	[illegible]	—	—	—
45	43	Tehidy Minerals 10p	43		1.33	φ	4.7
172	120	Yukon Cons. C$1	172	.....	Q7c	2.9	1.9

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- £ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- ρ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ Excluding a final dividend declaration.
- ☆ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: ex dividend; ex scrip issue; ex rights; ex all; ex capital distribution.

"Recent Issues" and "Rights" Page 36

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	23	.....
Ash Spinning	45	.....
Bertam	22	.....
Bdgwtr. Est. 50p	268	.....
Clover Croft	23	.....
Craig & Rose £1	450	.....
Dyson (R. A.) A	37	.....
Ellis & McHdy.	62	.....
Evered	17	.....
Fife Forge	50	.....
Finlay Pkg. 5p	23	.....
Graig Ship. £1	154	.....
Higsons Brew.	82	.....
I.O.M. Stm. £1	150	.....
Holt (Jos.) 25p	265	.....
N'thn. Goldsmith	54	.....
Pearce (C. H.)	158	.....
Peel Mills	20	.....
Sheffield Brick	45	.....
Shelf Refrshmt.	52	.....
Sindall (Wm.)	85	.....

IRISH

Conv. 9% '80/82	£89½	+⅛
Alliance Gas	73	-2
Arnott	346	.....
Carroll (P.J.)	92	.....
Clondalkin	95	-2
Concrete Prods.	135	.....
Heiton (Hldgs.)	41	.....
Ins. Corp.	148	.....
Irish Ropes	130	.....
Jacob	68	.....
Sunbeam	33	.....
T.M.G.	170	.....
Unidare	97	.....

OPTIONS
3-month Call Rates

Industrials		I.C.I.	20	Tube Invest.	30
A. Brew	6½	"Imps"	6	Unilever	35
A.P. Cement	18	I.C.L.	20	Utd. Drapery	7½
B.S.R.	9	Inveresk	8	Vickers	15
Babcock	11	KCA	3	Woolworths	5
Barclays Bank	25	Ladbroke	17	**Property**	
Beecham	35	Legal & Gen.	14	Brit. Land	3¼
Boots Drug	15	Lex Service	7	Cap. Counties	4½
Bowaters	16	Lloyds Bank	22	E.P.	5
B.A.T.	24	"Lots"	4	Intereuropean	4
British Oxygen	6	London Brick	5	Land Secs.	16
Brown (J.)	20	Lonrho	5	MEPC	12
Burton 'A'	12	Lucas Inds.	25	Peachey	8
Cadburys	5	Lyons (J.)	10	Samuel Props.	9
Courtaulds	10	"Mams"	7	Town & City	1¼
Debenhams	8	Mrks. & Spncr.	10	**Oils**	
Distillers	15	Midland Bank	25	Brit. Petroleum	45
Dunlop	7	N.E.I.	12	Burmah Oil	5
Eagle Star	11	Nat. West. Bank	22	Charterhall	3
E.M.I.	14	Do. Warrants	10	Shell	28
Gen. Accident	17	P & O Dfd.	8	Ultramar	20
Gen. Electric	18	Plessey	8	**Mines**	
Glaxo	40	R.H.M.	5	Charter Cons.	12
Grand Met.	9	Rank Org. 'A'	18	Cons. Gold	14
G.U.S. 'A'	20	Reed Intnl.	12	Rio T. Zinc	16
Guardian	18	Spillers	3		
G.K.N.	22	Tesco	4		
Hawker Sidd.	20	Thorn	22		
House of Fraser	12	Trust Houses	15		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday June 8 1978

Japanese planners forecast record 1978 trade surplus

BY DOUGLAS RAMSEY

TOKYO, June 7.

JAPAN COULD achieve a $25bn (£13.7bn) trade surplus this year if its trading companies are correct about the country's growing trade imbalance.

That is the conclusion of Japan's official Economic Planning Agency after a survey of top trading companies which may well be a sign to foreign trading partners that the Government's own estimates have been too conservative.

EPA officials to-day suggested that exports in 1978 could be as high as $96bn (£58bn).

Based on International Monetary Fund calculations, this would leave Japan with a record $23bn to $24bn visible trade surplus.

By contrast, last year the Japanese sold $17.5bn (£9.6bn) more overseas than they imported.

The Government itself issues no official trade or payments estimates on a calendar year basis, but the EPA survey contradicts other Government predictions.

In fiscal 1977 to last March, Japan posted a $14bn (£7.7bn) surplus on current account.

It has officially set a target for a $6bn (£3.3bn) surplus on this account in fiscal 1978.

In recent weeks, Government officials have admitted privately that the surplus may well be over $10bn, and according to one trade official, as high as the 1977 level.

Since Japan's balance on invisible trade is almost constantly in the red—to the tune of $6-7bn.—the EPA survey's suggestion of a $23-24bn trade surplus could actually result in a current surplus of more than $17bn for the calendar year.

Officials are understandably reticent to admit this publicly after pledging in January to the Americans to cut the current surplus by about half in fiscal 1978.

Late, in March, Mr. Nobuhiko Ushiba, Japan's external economic affairs minister, told the EEC that Japan hoped to cut the 1977 surplus by a third.

Consultations with the EEC are scheduled for later this month to consider, among other matters, progress toward reducing the overall surplus.

The most immediate concern in Tokyo is what reaction the EPA's findings will prompt on exchange markets.

Market dealers believe that any fresh round of speculation on the yen will force Tokyo to postpone plans to lift short-term currency flow restrictions implemented last March.

Trade terms "harder for Japan." Page 5

Basnett's 'economic contract' backed

By Pauline Clark, Labour Staff

MR. DAVID BASNETT, chairman of the TUC and leader of the General and Municipal Workers' Union, received a mandate from his members yesterday to carry on talking with the Labour Government on the understanding that voluntary pay restraint can survive after the end of the present wage round.

His terms for continuing co-operation on pay would, however, involve Government acceptance of four principal social and economic priorities, with the introduction of a 35-hour working week at the head of the list.

Mr. Basnett's proposed "economic contract" was accepted by a healthy majority at the policy-making annual conference of the General and Municipal Workers' Union in Scarborough, which threw out a rival motion for a tougher stand on pay. The contract included a demand for a new "meaningful" low pay target, protection for public sector workers and a wages structure to correct pay anomalies.

The consent of conference to the economic contract gives Mr. Basnett the chance he obviously wants to bid for the position of chief trade union innovator of the next economic strategy. He has taken on an increasingly influential role since the retirement of Mr. Jack Jones, who established the original social contract.

In his introduction to yesterday's pay debate, Mr. Basnett said: "The level of unemployment here and in the rest of Western Europe is now such that a radical move towards work-sharing is needed. The best and most obvious way to this is to put at the top of the bargaining agenda, and not at the bottom, demands for a reduction of the standard working week to 35 hours."

There was no disguising that the parcel was intended to boost Labour's chances of winning the next General Election.

Mr. Basnett said he preferred to continue talking to the Government rather than shouting from a distance. "We will talk to any elected Government but when it comes to co-operation, that is a very different matter.

"We do not want confrontation with a Tory Government; we want co-operation with a Labour Government."

He rejected an alternative motion from the floor demanding a total end to wage restraint to help reduce unemployment.

THE LEX COLUMN

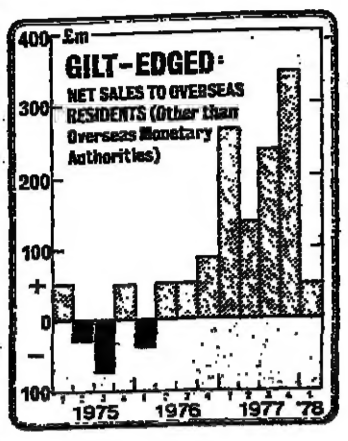
P & O sails deepe into a recession

The P and O share price had moved back up to par ahead of yesterday's annual meeting but the news that Britain's largest shipping company may have been in the red in the first four months of the current year knocked the shares 6p lower to 94p. Admittedly, this is the slackest season normally, but the chairman's statement that the "position had deteriorated further" since he wrote his annual report last month was not the sort of news that the stock market had been wanting to hear.

P and O is not alone. Virtually all of the world's major shipping groups are now feeling the impact of the industry's worst recession since the 1930s. Japan Lines recently announced losses of close to $100m in its last financial year and both Germany's Hapag Lloyd and Holland's Royal Nedlloyd have warned that their shipping profits will be sharply lower this year.

Until now P and O has fared better than most of its international rivals because of its policy of securing long term charters for much of its fleet. However, as these charters run off, the group is having to take on less profitable business and its diversification into non-shipping areas is nowhere near big enough to insulate it yet. Consequently, brokers are forecasting sharply lower 1978 profits. Against last year £34m (after stripping out special items), brokers are now pencilling in around £23m with some bears going still lower.

Index fell 2.8 to 474.9



Hanson Trust

After more than doubling profits and earnings per share in the two years to 1977, Hanson Trust is now finding the going tougher. Yesterday's interim figures show profits hardly changed at £11.4m, on turnover which is 22 per cent ahead at £286m. And Hanson is maintaining that profits will continue to move sideways, to give about £25m pre-tax for the full year.

The setback came on the U.S. agriproducts business (accounting for 55 per cent of group sales) where the Hygrade meat processing subsidiary found its margins severely checked as a result of a shortage of livestock. But results from the Seacoast fish oil company were apparently better than expected, leaving profits for the division a fifth lower at £3½m. In the UK, on the other hand, agricultural profits are more than doubled to £1.1m.

The industrial products division's profits do not yet reflect any significant contribution from the $30m U.S. Interstate food service company acquisition, though three months trading results have been included. Elsewhere in the division, the U.S. Carisbrook business has suffered from cheap textile imports so that profits are just maintained. And in the UK, profits on industrial products are just 6 per cent better at £3.4m despite extremely good results from the construction equipment companies.

At 139p the shares have a prospective yield of just over 7½ per cent, while there is the added attraction of Hanson's promise "to bring shareholders' income more into line with the company's achievements" — provided the restrictions are eased, of course.

Hunting Petroleum

Robert Fleming and Co., still flushed with the success of last month's Eurotherm issue, has popped back again with a £2.3m offer for sale for Hunting Petroleum Services. However, on first inspection of its cyclical profits record it does not look like being another runaway success.

It is a complicated deal which involves stripping out the oil and gas related interests of two quoted companies in the Hunting stable plus those of a private company, Hunting Holdings Ltd., and injecting them into a new mini-oil company which does everything from turbodrilling in the North Sea to explorin oil and gas in North Am This sounds the sort of g stock that the more a turous institutions might to tuck away. In additi yield of 8.3 per cent a offer price of 85p, covere times, looks fairly health

The only possible obsta that the independant holders in Hunting whose shipping side has into serious financial di ties, might think that the selling off their assets cheaply. The deal needs approved at an extraor general meeting on June

Brooke Tool

Against the backgrou Equity Capital for Ind attempt last week to de wider role for itself, the Brooke Tool provides an esting example of how the listed company can sti the rights issue market. happens that Savory Mill brokers who are sponsori Brooke issue, collaborate a few months ago with getting a £3.8m rights is the ground for James Nei whereas with Neill th family shareholdings m normally underwritten impracticable, so that EC in as underwriter, Savor been able to arrange a conventional issue for which has no big family

The issue is a heavy terms of three-for-five and the £0.57m to be represents over half the ing capitalisation.

Gilt-edged buyers

Last year's heavy in foreign money into the edged market tailed off in the first quarter of 1 did not actually go reverse, according to balance of payments Net investment by fore other than central dropped to £51m compar a peak £346m in December 1977. There ever, a suspicion that a s tial amount of overseas —especially for Amer are booked throug accounts and do not fin way into these figures, while the relative weak War Loan, a favourite Continentals, is taken market as evidence th Swiss and Germans h cently been running dow gilt-edged holdings.

Linwood stewards to discuss warning

By Ray Perman, Scottish Correspondent

SHOP STEWARDS at Chrysler's Scottish factory at Linwood will meet next week to consider a warning from the company's American parent that falling production levels threaten the car plant's viability.

Absenteeism is as high as 17 per cent in some areas, and production has fallen from about 38 cars an hour to under 30.

The renewed problems at Linwood are causing concern within Whitehall.

Mr. Eric Varley, Industry Secretary, whose Department monitors the company's performance, has stressed that the workforce must raise productivity and not look to the Government to increase its financial commitment.

Mr. John Carty, convenor at Linwood, said yesterday that shop stewards were taking the failure of the plant to meet agreed output targets seriously. The criticism from Detroit was entirely fair.

"I do not think this is a crisis, but we do have a responsibility to meet targets. Absenteeism is not just among the manual workers. A host of other people are involved.

"We cannot order people back to work, we do not have that power. But we will certainly advise them to do so because it is important to the future of this plant. Nobody's going to bail us out again."

Mr. Eugene Cafiero, deputy managing director of Chrysler in Detroit, has said in a telegram to the Linwood management that he intends to visit the plant in July to monitor its performance.

"I am most concerned with the inability of Linwood to achieve production and sales programmes since our last meeting," the telegram stated.

"The consistent achievement of programme levels and production is vital to the viability of Chrysler UK."

A letter has been sent to every employee by Mr. Stan Deason, production manager at Linwood, in which he points to lateness and absenteeism as the cause of the problem, and gives details of the decline in productivity.

Output was 89 per cent of its target for March but fell to 86 per cent in April and 85 per cent in May. In the last two weeks—with a lot of good weather and the start of televised World Cup football—it has fallen to 68 per cent.

Ford foremen, Page 10

Tokyo warning to EEC on steel price-cutting

BY GUY DE JONQUIERES

BRUSSELS, June 7.

JAPANESE STEEL producers have warned the EEC Commission that they may have difficulty adhering to the recently concluded agreement governing the price and volume of their exports to the Community unless illegal price-cutting by European companies is halted.

The warning, conveyed to Brussels by the Japanese Government, is backed by substantial documentation purporting to show that some European steel producers have been selling certain products inside the Community at as much as £20 per tonne below the EEC's compulsory minimum prices.

Their evidence is being investigated by the Commission.

Japan has not yet sought to invoke the consultation clause embodied in its agreement which permits a review of the "base" prices set for its exports if internal EEC prices fall significantly below them.

But the warning is taken seriously in Brussels, as a sign that lack of discipline among European companies is causing growing disquiet among third country suppliers.

The agreement with Japan, concluded last April, limits its steel exports to the EEC to about 1.2m tonnes this year, and permits discounts of 4 per cent on *ordinary steels and 6 per cent on* special steels against internal EEC prices.

The Japanese claim that this supposed advantage has been substantially eroded by European undercutting, making it difficult *for them to compete.*

Meanwhile, proposals by Viscount Etienne Davignon, EEC Industry Commissioner, for a sharp voluntary cut in crude steel production in the third quarter to about 29m tonnes, appear to have won an initially favourable response among European producers.

Only the German companies are understood still to be pushing hard for a higher figure.

They argue that their domestic demand does not fall off as sharply during the third quarter as in other EEC countries, because staggered holidays permit a sustained level of economic activity.

This afternoon Viscount Davignon said the Commission would not go ahead with plans to raise minimum prices for hot-rolled coils and voluntary guideline prices for other products by an average 5 per cent on July 1, unless it was satisfied that the third-quarter production target was being observed.

John Wyles writes from New York: Pressure on the Carter Administration from the U.S. steel industry to devise a separate trigger price system aimed specifically at curbing steel imports from Europe has been rebuffed by Mr. Robert Strauss, the President's special trade negotiator.

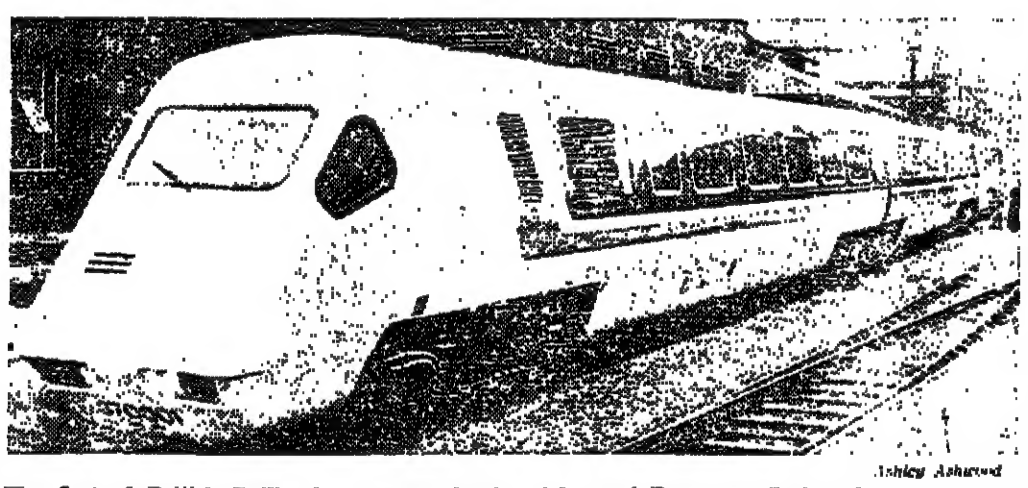
Both the American Iron and Steel Institute and the United Steelworkers union had urged a separate mechanism to halt the alleged dumping of European Steel.

They claimed that basing trigger prices on the production costs of the most efficient Japanese producers enabled higher cost manufacturers in Europe to continue dumping, which is said to have cost the U.S. steel industry several billion dollars in lost revenue last year.

Some four complaints have been lodged against a wide number of European producers.

A Treasury Department spokesman said the Administration believed that a separate trigger price system for European steel was not only impracticable but would add to the heavy administrative burden

Editorial comment, Page 20
Shelton losses, Page 6



Ashley Ashwood

The first of British Rail's three pre-production Advanced Passenger Trains, designed to run at up to 150 mph on Britain's inter-city network, is nearing completion and will be ready to carry paying passengers in the autumn next year. The three trains are for an experimental passenger service on the electrified route between London and Glasgow.

New 150 mph train unveiled

BY LYNTON McLAIN,

BRITISH RAIL is planning a £150m, three-year investment programme for its latest 150 mph advanced passenger train, shown in public at Derby for the first time yesterday.

Paying passengers on the prototypes will be carried on the London to Glasgow route by autumn next year.

British Rail has already called *for a "commitment in principle"* for the money from the Transport Department to implement the full programme.

Mr. Ian Campbell, BR Board member for engineering and research, said he hoped for initial approval for full scale production by July next year. A decision had to be taken by January, 1980, he said.

A go-ahead would clear the way to order 60 to 70 complete 11-car advanced passenger trains. These would be built at a rate of 20 a year from 1982 to 1985.

Each train would cost £2m, about the same as an existing high-speed train. They will be powered by Swedish electric motors. BR saw no prospect of reviving the use of gas turbine engines, as in the prototype advanced passenger train.

Full commercial services with the first of three pre-production prototypes—already authorised at a total cost of £30m—could start later next year.

The train was unveiled in a naming ceremony by Councillor Eric Reid, mayor of Derby. He was watched intently by a three-man Japanese television crew who said they were on a tour filming Europe's rail industries. There is strong Japanese interest in the train, and the Japanese Government transport department is believed to be anxious to obtain design data on its unique suspension and tilt mechanism perfected by British Rail.

The systems enable the train to take curves on unmodified track at up to 50 per cent greater speed than conventional trains. The whole train tilts nine degrees to reduce sideways motion around bends.

The Japanese want to test the system on new narrow gauge track. Existing Japanese tilting systems are passive, and are not based on the advanced sensing and electro-hydraulic power of the advanced passenger train.

The U.S. transport department has also expressed interest in the technology of the train and has paid consultation fees to BR Engineering.

British Rail said that train travel at 150 mph was still 10 years away despite yesterday's unveiling ceremony. All the advanced trains will be restricted to 125 mph, the same as the high-speed trains now in service.

Travel at 150 mph is not possible on existing tracks. "We are not certain that the train would stop within the braking distances governed by existing signalling."

The one-hour improvement in journey time from London to Glasgow which the train would bring over existing trains would come largely from the better performance over curves.

● Mr. William Rodgers, Transport Secretary, yesterday announced he has given approval to British Rail to build 18 High Speed Trains for the North East/South West route joining Edinburgh, Newcastle, Birmingham, Exeter and South Wales. This will bring the total number of these trains to 91.

Continued from Page 1

P & O

time when there were seasonally adverse factors on the ferries and cruise sides. Last night, the shares closed 6p down at 94p, compared with a range this year of 91p and 118p.

P & O has been feeling the effects of tougher competition on its shipping business, against a background of surplus tonnage and shipbuilding capacity. Such sectors as the European and air transport division, ferries and road transport are still doing well, and cruising is producing good results, while prospects for the Bovis building side, taken over in 1974, are better than for some years past.

But, said Lord Inchcape, "we are still largely a shipping company and the pressures on the shipping sector as such cannot be compensated for by our relatively new and still growing non-shipping activities."

The key problem in bulk shipping is the liquid petroleum gas carrier side, where the group has eight ships, with a book value of £150m, and two more on order from West Germany. This commitment is now considered out of balance with the rest of the business.

Among remedial steps being considered are the sale of one gas carrier; if this was one of the earlier ones its disposal should yield a profit. Other possibilities being explored include arrangements with producers of, or customers for, the gas—for joint ventures or other agreements which might generate finance.

Continued from Page 1

Carter

without restraint and without shared rules will escalate into graver tensions and our relationship as a whole will suffer."

In particular, "the persistent and increasing military involvement of the Soviet Union and Cuba in Africa" could threaten this relationship even if the Administration tried to prevent it doing so.

"In a democratic society . . . where public opinion is an integral factor in the shaping and implementation of foreign policy . . . tensions, sharp disputes and threats to peace will complicate the quest for an agreement. This is not a matter of our preference but a recognition of fact."

The U.S. would prefer "co-operation through a detente that increasingly involves similar restraint for both sides.

But echoing Dr Brzezinski, the President noted that if the Soviet Union rejected this approach, the U.S. was strong enough and willing enough to respond in kind.

To the Soviet Union, he added, detente apparently meant "a continuing aggressive struggle for political advantage and increased influence in a variety of ways. The Soviet Union . . . sees military power and military assistance as the best means of expanding their influence abroad."

Weather

UK TODAY

SHOWERS, sunny intervals.

London, S.E., Cent. S., Channel Is., S.W.

Rain at first, bright later. Max. 17C (63F).

E. Anglia, Midlands, East, North

Showers, sunny intervals. Max. 16C (61F).

Wales, N.W.

Showers, sunny intervals. Max 15C (59F)

Lakes, Isle of Man, S.W. Scotland, N. Ireland

Bright intervals, scattered showers, heavy at times. Max. 15C (59F).

Borders, Edinburgh and Dundee areas

Showers, sunny intervals. Max. 13C (55F).

Aberdeen, C. Highlands, Moray Firth, N.W. Scotland, N.E. Scotland, Orkney, Shetland.

Scattered showers, heavy at times. Max. 12C (54F).

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amsterdm.	C	21	70	Madrid	F	22	72
Athens	S	27	81	Manchstr.	R	14	57
Bahrain	S	35	95	Melbourne	S	13	55
Barcelona	C	21	70	Milan	S	20	70
Belfast	R	12	54	Montreal	S	22	72
Belgrade	F	27	81	Moscow	S	25	77
Berlin	R	28	82	Munich	F	25	77
Birmghm.	R	13	55	Newcastle	R	14	57
Bristol	R	14	57	New York	C	17	63
Brussels	C	18	64	Oslo	C	22	66
Budapest	C	25	77	Paris	C	20	68
B. Aires	S	11	52	Perth	S	16	61
Cairo	S	30	86	Prague	F	26	79
Cardiff	R	14	57	Reykjavik	R	9	48
Chicago	C	20	68	Rio de J'o	S	26	80
Cologne	C	20	68	Rome	S	28	82
Copnhagn.	C	21	70	Singapore	S	28	82
Dublin	R	12	55	Stockholm	F	27	81
Edinburgh	C	15	59	Strasbrg.	C	25	77
Frankfurt	S	25	77	Sydney	S	16	61
Geneva	F	22	72	Tehran	S	27	80
Glasgow	F	13	55	Tel Aviv	S	24	75
Helsinki	S	26	79	Tokyo	C	24	75
H. Kong	S	30	86	Toronto	C	16	61
Jo'burg	S	24	75	Vienna	C	24	75
Lisbon	F	21	70	Warsaw	F	21	70
London	C	19	66	Zurich	F	24	75
Luxembrg.	F	21	70				

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Alaccio	C	24	75	Jersey	C	15	59
Algiers	S	25	77	Las Plms.	F	21	70
Biarritz	R	15	59	Locarno	S	24	75
Blackpool	R	13	55	Majorca	F	24	75
Bordeaux	F	21	70	Malaga	C	23	73
Boulogne	S	15	59	Malta	S	27	81
Casblnca.	F	20	68	Nairobi	S	23	74
Cape Tn.	S	20	68	Naples	F	24	75
Corfu	S	26	79	Nice	C	22	72
Dubrovnik	S	23	73	Oporto	S	21	70
Faro	C	17	63	Rhodes	S	24	75
Florence	F	28	82	Salzburg	S	27	81
Funchal	C	17	63	Tangier	F	19	66
Gibraltar	F	21	70	Tenerife	F	15	59
Guernsey	F	16	61	Tunis	S	29	84
Innsbruck	F	28	82	Valencia	C	24	75
Inverness	C	15	59	Venice	S	26	79
Istanbul	S	24	75				

R—Rain. C—Cloudy. F—Fair. S—Sunny.

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